TOWNSHIP OF LACEY

AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

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COUNTY OF OCEAN, NEW JERSEY

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COUNTY OF OCEAN, NEW JERSEY

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TOWNSHIP OF LACEY
COUNTY OF OCEAN

PART I

INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

****

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Lacey
County of Ocean
Lacey, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account groups of the Township of Lacey, County of Ocean, State of New Jersey as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance--regulatory basis for the year then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statements, the Township prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between these regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Lacey, County of Ocean, State of New Jersey, as of December 31, 2013, or the results of its operations and changes in fund balance for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township's financial statements as of and for the year ended December 31, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Township's Trust Fund, and represent 47.95% and 48.82% of the assets and liabilities, respectively of the Township's Trust Funds as of December 31, 2014 and 2013.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Lacey, County of Ocean, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance --regulatory basis of such funds for the year then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedules of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2015, on our consideration of the Township of Lacey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Lacey's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR #498

June 15, 2015
Toms River, New Jersey

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members
of the Township Committee
Township of Lacey
County of Ocean
Lacey, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements- regulatory basis of the Township of Lacey as of and for the fiscal year December 31, 2014 and the related notes to the financial statements, and have issued our report thereon dated June 15, 2015. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. Our report on the financial statements-regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund ("LOSAP") Trust Fund. The LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township's financials statements as of and for the year ended December 31, 2014. With the exception of the LOSAP Trust Fund our opinion on the financial statements-regulatory basis was unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a

deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Findings and Questioned Costs that we consider to be a significant deficiency as Finding No. 2014-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Response to Findings

The Township of Lacey's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. The Township of Lacey's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
RMA #498

June 15, 2015
Toms River, New Jersey

BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A
Sheet 1 of 2

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	Ref.	2014	2013
Assets			
Cash and Cash Equivalents	A-4	$ 8,164,464.14	$ 12,452,939.57
Cash - Change Fund		1,300.00	1,300.00
Cash - Petty Cash		500.00	500.00
		8,166,264.14	12,454,739.57
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	444,310.55	622,448.13
Tax Title Liens Receivable	A-7	189,225.82	164,926.32
Property Acquired for Taxes		3,177,580.00	3,177,580.00
Revenue Accounts Receivable	A-9	23,348.03	24,402.97
Interfunds:			
Other Trust Fund	A-12	-	105,396.09
		3,834,464.40	4,094,753.51
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-8	-	600,000.00
Emergency Authorization	A-8	360,000.00	-
		360,000.00	600,000.00
		12,360,728.54	17,149,493.08
Grant Fund			
Interfund - Current Fund	A-14	127,650.95	78,478.56
Grants Receivable	A-15	64,012.22	68,524.87
		191,663.17	147,003.43
		$ 12,552,391.71	$ 17,296,496.51

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A
Sheet 2 of 2

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	Ref.	2014	2013
Liabilities, Reserves and Fund Balance			
Appropriation Reserves	A-3,10	$ 1,120,539.15	$ 1,275,867.39
Accounts Payable		65,772.50	87,221.02
Reserve for Encumbrances	A, A-3	249,236.54	214,359.32
Special Emergency Note Payable	A-4	-	600,000.00
Tax Anticipation Note Payable	A-4	-	4,000,000.00
Due to State - Ch. 20, P.L. 1971	A-5	2,172.09	30,440.74
Tax Overpayments		22,749.42	6,654.14
Prepaid Taxes	A-6	490,011.88	1,195,983.09
Due County for Added and Omitted Taxes	A-11	72,281.38	44,402.06
Local School District Taxes Payable	A-12	1,576,167.00	1,627,334.00
Due to Lacey MUA		29,340.15	22,195.86
Due to State for Fees Collected		9,044.00	8,156.00
Reserve for:			
FEMA	A-4	-	27,066.88
Revaluation of Property	A-4	63,000.00	-
Interfunds:			
Assessment Trust Fund	A-13	14,851.50	14,851.50
Payroll Fund	A-13	-	14,275.77
Trust Other Fund	A-12	1,694.28	
Grant Fund	A-14	127,650.95	78,478.56
		3,844,510.84	9,247,286.33
Reserve for Receivables and Other Assets		3,834,464.40	4,094,753.51
Fund Balance	A-1	4,681,753.30	3,807,453.24
		12,360,728.54	17,149,493.08
Grant Fund			
Appropriated Reserves	A-16	67,411.18	43,540.15
Reserve for Encumbrances	A-16	31,718.76	33,027.51
Unappropriated Reserves	A-17	92,533.23	70,435.77
		191,663.17	147,003.43
		$ 12,552,391.71	$ 17,296,496.51

There were deferred school taxes on December 31, 2014 and 2013 of $22,397,054.00 and $21,497,054.00, respectively (Schedule A-12).

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-1**

COMPARATVIE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE **Sheet 1 of 2**

REGULATORY BASIS

	Ref.	Year 2014	Year 2013
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	$ 3,600,000.00	$ 3,600,000.00
Miscellaneous Revenue Anticipated	A-2	13,734,947.54	14,133,476.26
Receipts from Delinquent Taxes	A-2	625,300.77	667,790.17
Receipts from Current Taxes	A-2	72,418,083.28	69,407,691.44
Non-Budget Revenues	A-2	1,137,255.74	901,903.88
Other Credits to Income:			
Statutory Excess in Animal Control Trust Fund			
Accounts Payable Cancelled		-	875.54
Unexpended Balance of Appropriation Reserves	A-10	845,314.16	639,865.50
Grant Appropriated Reserves Cancelled	A-14	-	3,978.81
Grant Unappropriated Reserves Cancelled	A-14	-	3,833.35
Cancel Reserve Balances		-	57.91
Interfunds Liquidated		105,396.09	260,180.97
Total Income		92,466,297.58	89,619,653.83
Expenditures			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		10,491,380.00	10,175,235.00
Other Expenses		11,468,980.00	10,262,850.00
Deferred Charges and Statutory Expenditures		2,270,526.00	3,175,876.73
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages		232,200.00	221,900.00
Other Expenses		592,830.25	671,269.16
Capital Improvements		90,000.00	90,000.00
Municipal Debt Service		2,328,368.00	2,135,778.60
Deferred Charges		600,000.00	485,079.99
	A-3	28,074,284.25	27,217,989.48
Prior Year Senior Citizen Deduction Disallowed	A-5	25,263.02	65,125.00
County Taxes	A-11	15,941,693.95	15,441,477.13
Local District School Taxes	A-12	44,269,947.00	43,229,698.00
Adjust Payroll Reserves to Actual		-	14,275.77
Adjust Trust Reserve Balances to Actual		-	2,560.76
Grant Receivables Cancelled	A-14	7,971.50	33,096.40
Prior Year Revenue Refund		32,837.80	-
Prior Year Tax Appeals Granted		-	69,252.53
Total Expenditures		88,351,997.52	86,073,475.07

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-1**

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE **Sheet 2 of 2**

REGULATORY BASIS

	Ref.	Year 2014	Year 2013
Excess in Revenue		$ 4,114,300.06	$ 3,546,178.76
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year		360,000.00	
Statutory Excess to Fund Balance		4,474,300.06	3,546,178.76
Fund Balance January 1	A	3,807,453.24	3,861,274.48
		8,281,753.30	7,407,453.24
Decreased by:			
Utilization as Anticipated Revenue	A-1	3,600,000.00	3,600,000.00
Fund Balance December 31	A	$ 4,681,753.30	$ 3,807,453.24

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 1 of 3

FOR THE YEAR ENDED DECEMBER 31, 2014

	Ref.	Anticipated Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	$ 3,600,000.00	$ -	$ 3,600,000.00	$ -
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-9	20,000.00	-	28,440.00	8,440.00
Fines and Costs					
Municipal Court	A-9	310,000.00	-	350,142.57	40,142.57
Interest and Costs on Taxes	A-4	150,000.00	-	201,927.08	51,927.08
Interest on Deposits and Investments	A-9	10,000.00	-	2,988.79	(7,011.21)
Beach Badges	A-9	20,000.00	-	24,975.00	4,975.00
Dock Rentals	A-9	75,000.00	-	72,325.00	(2,675.00)
County Recycling Rebate	A-9	45,000.00	-	49,087.16	4,087.16
Cable Television Franchise Fees	A-9	99,000.00	-	99,651.89	651.89
Uniform Construction Code Fees	A-9	380,000.00	-	402,890.00	22,890.00
State Aid:					-
Energy Receipts Tax	A-9	11,107,558.00	-	11,107,558.00	-
Garden State Preservation Trust Fund	A-9	166,282.00		166,282.00	-
Shared Services Agreements:					
Township of Ocean	A-9	18,200.00	-	16,975.00	(1,225.00)
Borough of Harvey Cedars	A-9	4,000.00	-	2,100.00	(1,900.00)
Special Items of Revenue:	A-9				
Federal and State Revenues Off-Set with Appropriations:					-
Alcohol Education and Rehabilitation	A-15	-	6,380.65	6,380.65	-
Body Armor Fund	A-15	5,066.60	-	5,066.60	-
Bullet Proof Vest Grant	A-15	-	10,310.23	10,310.23	
Clean Communities Program	A-15	-	61,800.94	61,800.94	-
Drunk Driving Enforcement Fund	A-15	12,764.62	-	12,764.62	-
Emergency Management - 966 Grant	A-15	14,027.66		14,027.66	-
Municipal Alliance on Drug and Alcohol Abuse	A-15	15,515.00	34,915.00	50,430.00	-
Recycling Tonnage Grant	A-15	52,604.55	-	52,604.55	-
Post Sandy Planning Assistant Grant	A-15	24,500.00	-	24,500.00	-

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-2**

STATEMENT OF REVENUES - REGULATORY BASIS **Sheet 2 of 3**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Ref.	Anticipated Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Special Items of Revenue (Continued):					
Other Special Items:					
General Capital Fund - Fund Balance	A-9	$ 32,380.00	$ -	$ 32,380.00	$ -
Recreation Summer Program Fees	A-9	20,000.00	-	35,018.00	15,018.00
FEMA Reimbursement	A-9	50,000.00	400,000.00	819,951.80	369,951.80
Reserve to Pay Debt Service	A-9	84,370.00	-	84,370.00	-
Total Miscellaneous Revenues	A-1	12,716,268.43	513,406.82	13,734,947.54	505,272.29
Receipts from Delinquent Taxes	A-1,2	500,000.00	-	625,300.77	125,300.77
Subtotal General Revenues		16,816,268.43	513,406.82	17,960,248.31	630,573.06
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	11,857,020.92	-	12,778,854.25	921,833.33
Total General Revenues		28,673,289.35	513,406.82	30,739,102.56	1,552,406.39
Non-Budget Revenues	A-1,2	-	-	1,137,255.74	1,137,255.74
					-
		$ 28,673,289.35	$ 513,406.82	$ 31,876,358.30	$ 2,689,662.13

	Ref.	
		A-3	A-3
Allocation of Delinquent Tax Collections			
Receipts from Delinquent Taxes:			
Delinquent Tax Collections	A-6	$ 570,700.58
Tax Title Liens	A-7	54,600.19
	A-2	$ 625,300.77

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-2**

STATEMENT OF REVENUES - REGULATORY BASIS **Sheet 3 of 3**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Ref.	
Analysis of Realized Revenues		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,6	$ 72,418,083.28
Allocated to Local School and County Taxes	A-6	61,111,640.95
Balance for Support of Municipal Budget Appropriations		11,306,442.33
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	1,472,411.92
Amount for Support of Municipal Budget Appropriations	A-2	$ 12,778,854.25
Analysis of Non-Budget Revenue		
Miscellaneous Revenue not Anticipated:		
Reimbursements		$ 120,807.66
In Lieu of Taxes		95,850.00
Motor Vehicle Inspection Fines		1,600.00
Municipal Court		3,037.87
Other		363,962.49
LOSAP Forfeitures		73,122.33
Lacey BOE Garbage Removal		90,000.00
JIF Dividend		54,234.30
Planning and Zoning		60,245.00
Public Works		64,660.60
Recycling		10,972.95
Tax Collector		9,673.93
Township Clerk		154,258.57
Traffic Detail Admin Fee		34,830.04
	A-2,4	$ 1,137,255.74

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Appropriated		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid	Encumbered	Reserved	
OPERATIONS WITHIN CAPS						
General Government						
General Administration						
Salaries and Wages	$ 137,400.00	$ 137,400.00	$ 135,044.93	$ -	$ 2,355.07	$ -
Other Expenses	13,475.00	13,475.00	9,198.78	1,445.96	2,830.26	
Township Committee						
Salaries and Wages	30,000.00	30,000.00	27,961.44	-	2,038.56	-
Other Expenses	1,500.00	1,500.00	133.22	-	1,366.78	-
Municipal Clerk						
Salaries and Wages	189,400.00	189,400.00	189,399.36	-	0.64	-
Other Expenses	47,675.00	47,675.00	37,902.33	643.88	9,128.79	-
Financial Administration (Treasury)						
Salaries and Wages	252,650.00	252,650.00	252,557.62	-	92.38	-
Other Expenses	25,000.00	25,000.00	21,329.23	278.35	3,392.42	-
Audit Services						
Other Expenses	40,000.00	40,000.00	37,250.00	-	2,750.00	-
Information Technology						
Salaries and Wages	28,800.00	28,800.00	27,469.81	-	1,330.19	-
Other Expenses	37,100.00	37,100.00	28,352.99	-	8,747.01	-
Revenue Administration (Tax Collector)						
Salaries and Wages	244,000.00	244,000.00	231,760.38	-	12,239.62	-
Other Expenses	111,650.00	111,650.00	64,224.56	25,115.00	22,310.44	-
Tax Assessment Administration						
Salaries and Wages	232,000.00	226,000.00	218,326.70	-	7,673.30	-
Other Expenses	50,830.00	56,830.00	56,828.75	-	1.25	-
Emergency Authorization - Revaluation Reassessmen of Real Property	-	360,000.00	360,000.00	-	-	-
Tax Map Maintenance						
Other Expenses	5,000.00	5,000.00	1,184.89	-	3,815.11	-
Legal Services						
Other Expenses	170,000.00	170,000.00	109,979.65	864.00	59,156.35	-
Engineering Services						
Other Expenses	90,000.00	90,000.00	72,516.25	2,844.50	14,639.25	-
Land Use Administration						
Planning Board						
Salaries and Wages	4,000.00	4,000.00	3,000.00	-	1,000.00	-
Other Expenses	20,070.00	20,070.00	6,021.05	-	14,048.95	-
Zoning Board of Adjustment						
Salaries and Wages	4,000.00	4,000.00	3,000.00	-	1,000.00	-
Other Expenses	21,400.00	21,400.00	4,074.58	110.00	17,215.42	-

TOWNSHIP OF LACEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Appropriated		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid	Encumbered	Reserved	
Land Use						
Salaries and Wages	$ 260,550.00	$ 260,550.00	$ 260,415.28	$ -	$ 134.72	$ -
Other Expenses	9,550.00	9,550.00	2,737.42	375.00	6,437.58	-
Code Enforcement and Zoning						
Salaries and Wages	62,600.00	62,600.00	61,819.05	-	780.95	-
Other Expenses	4,950.00	4,950.00	4,053.12	-	896.88	-
Insurance						
General Liability	460,000.00	460,000.00	416,935.10	-	43,064.90	-
Workers Compensation	560,000.00	560,000.00	557,123.68	-	2,876.32	-
Employee Group Health	3,576,690.00	3,576,690.00	3,576,683.30	-	6.70	-
Public Safety						
Police						
Salaries and Wages	5,533,630.00	5,533,630.00	5,457,087.45	2,461.00	74,081.55	-
Other Expenses	409,285.00	409,285.00	340,554.92	65,331.79	3,398.29	-
Crossing Guards						
Salaries and Wages	53,400.00	53,400.00	39,901.95	-	13,498.05	-
Other Expenses	3,050.00	3,050.00	1,160.00	245.00	1,645.00	-
Office of Emergency Management						
Salaries and Wages	5,000.00	5,000.00	4,851.60	-	148.40	-
Other Expenses	1,075.00	1,075.00	817.50	-	257.50	-
Search and Recovery Team						
Other Expenses	12,000.00	12,000.00	11,791.50	-	208.50	-
Aid to Volunteer Fire Companies						
Other Expenses	46,250.00	46,250.00	36,896.00	-	9,354.00	-
Aid to Volunteer Ambulance Companies						
Forked River Fire Company	80,000.00	80,000.00	73,250.00	-	6,750.00	-
Maintenance and Repair of Emergency Equipment						
Other Expenses	3,000.00	3,000.00	-	-	3,000.00	-
Fire						
Forked River Fire Company						
Other Expenses	39,800.00	39,800.00	32,054.50	7,745.50	-	-
Lanoka Harbor Fire Company						
Other Expenses	32,980.00	32,980.00	27,214.79	4,181.76	1,583.45	-
Bamber Lake Fire Company						
Other Expenses	23,300.00	23,300.00	12,826.74	5,770.00	4,703.26	-
Municipal Prosecutor						
Other Expenses	40,000.00	40,000.00	40,000.00	-	-	-
Municipal Court						
Salaries and Wages	272,000.00	272,000.00	259,791.81	-	12,208.19	-
Other Expenses	22,000.00	22,000.00	20,945.66	-	1,054.34	-
Public Defender						
Other Expenses	27,000.00	27,000.00	27,000.00	-	-	-

TOWNSHIP OF LACEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Appropriated		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid	Encumbered	Reserved	
Public Works						
Streets and Road Maintenance						
Salaries and Wages	$ 1,612,700.00	$ 1,612,700.00	$ 1,598,935.90	$ -	$ 13,764.10	$ -
Other Expenses	289,250.00	285,250.00	243,295.10	37,060.50	4,894.40	-
Solid Waste Collection						
Salaries and Wages	199,950.00	199,950.00	177,358.06	-	22,591.94	-
Other Expenses	1,828,000.00	1,813,000.00	1,580,501.01	9,589.74	222,909.25	-
Buildings and Grounds						
Salaries and Wages	478,600.00	478,600.00	477,170.39	-	1,429.61	-
Other Expenses	100,650.00	100,650.00	93,631.83	6,314.36	703.81	-
Maintenance and Upgrade of Facilities						
Other Expenses	45,000.00	45,000.00	35,913.39	5,011.96	4,074.65	-
Sanitary Landfill Testing						
Other Expenses	900.00	900.00	500.00	-	400.00	-
Vehicle Maintenance (Including Police)						
Other Expenses	271,500.00	291,500.00	249,130.93	29,595.59	12,773.48	-
Health and Welfare						
Public Health Services (Board of Health)						
Salaries and Wages	900.00	900.00	900.00	-	-	-
Other Expenses	14,350.00	14,350.00	1,236.91	9,650.00	3,463.09	-
Animal Control Services						
Other Expenses	80,900.00	80,900.00	77,330.42	-	3,569.58	-
Welfare/Administration of Public Assistance						
Other Expenses	2,500.00	2,500.00	500.00	-	2,000.00	-
Senior Outreach						
Other Expenses	5,000.00	5,000.00	-	-	5,000.00	-
Parks and Recreation						
Recreation Services and Programs						
Salaries and Wages	221,500.00	228,500.00	228,347.68	-	152.32	-
Other Expenses	55,200.00	48,200.00	47,995.92	174.60	29.48	-
Maintenance of Parks						
Other Expenses	99,500.00	99,500.00	91,394.06	5,547.26	2,558.68	-
Maintenance of Docks						
Other Expenses	3,000.00	2,000.00	1,646.25	-	353.75	-
Unclassified						
Accumulated Leave Compensation						
Salaries and Wages	350,000.00	350,000.00	348,622.37	-	1,377.63	-
Juvenile Committee						
Other Expenses	200.00	200.00	200.00	-	-	-
WLTS Channel 21						
Other Expenses	15,000.00	15,000.00	-	-	15,000.00	-

TOWNSHIP OF LACEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Appropriated		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid	Encumbered	Reserved	
Utility Expenses and Bulk Purchases						
Electricity	$ 249,000.00	$ 249,000.00	$ 174,036.41	$ -	$ 74,963.59	$ -
Street Lighting	400,000.00	400,000.00	325,837.33	-	74,162.67	-
Telephone	77,500.00	77,500.00	62,887.58	1,949.73	12,662.69	-
Gas (Natural or Propane)	70,000.00	70,000.00	58,813.53	-	11,186.47	-
Fuel Oil	3,000.00	3,000.00	3,000.00	-	-	-
Telecommunications Costs	1,000.00	1,000.00	-	-	1,000.00	-
Gasoline	354,750.00	354,750.00	285,163.42	23,139.73	46,446.85	-
Landfill/Solid Waste Disposal Costs	1,135,000.00	1,135,000.00	1,048,386.48	-	86,613.52	-
State Uniform Construction Code						
Construction Official						
Salaries and Wages	317,300.00	317,300.00	266,292.06	-	51,007.94	-
Other Expenses	24,150.00	24,150.00	11,547.98	688.98	11,913.04	-
Total Operations within Caps	21,600,360.00	21,960,360.00	20,654,002.90	246,134.19	1,060,222.91	-
Contingent						
Total Operations Including Contingent within Caps	21,600,360.00	21,960,360.00	20,654,002.90	246,134.19	1,060,222.91	-
Detail:				-		
Salaries and Wages	10,490,380.00	10,491,380.00	10,270,013.84	2,461.00	218,905.16	-
Other Expenses	11,109,980.00	11,468,980.00	10,383,989.06	243,673.19	841,317.75	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN CAPS						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	456,685.00	456,685.00	452,920.00	-	3,765.00	-
Social Security System (O.A.S.I.)	780,000.00	780,000.00	777,094.16	-	2,905.84	-
Police and Firemen's Retirement System of N.J	1,018,841.00	1,018,841.00	1,018,841.00	-	-	-
Unemployment Insurance	15,000.00	15,000.00	429.84	-	14,570.16	-
Total Statutory Expenditures within Caps	2,270,526.00	2,270,526.00	2,249,285.00	-	21,241.00	-
Total Appropriations within Caps	23,870,886.00	24,230,886.00	22,903,287.90	246,134.19	1,081,463.91	-
OPERATIONS EXCLUDED FROM CAPS						
All Functions						
Employee Group Health						
Other Expenses	89,310.00	89,310.00	89,310.00	-	-	-
Length of Service Awards Program						
Other Expenses	170,000.00	170,000.00	163,300.00	-	6,700.00	-
NJ DEP Stormwater Permit						
Streets and Roads Maintenance						
Salaries and Wages	210,000.00	210,000.00	210,000.00	-	-	-
Other Expenses	30,000.00	30,000.00	20,855.66	3,102.35	6,041.99	-

TOWNSHIP OF LACEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Appropriated		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid	Encumbered	Reserved	
NJ Recycling Enhancement Act						
Landfill/Solid Waste Disposal Costs						
Other Expenses	$ 46,150.00	$ 46,150.00	$ 26,088.00	$ -	$ 20,062.00	$ -
Shared Service Agreements						
Information Technology						
Township of Ocean						
Salaries and Wages	18,200.00	18,200.00	18,200.00	-	-	-
Borough of Harvey Cedars						
Salaries and Wages	4,000.00	4,000.00	4,000.00	-	-	-
Public and Private Programs Offset by Revenues						
Alcohol Education and Rehabilitation Fund	-	6,380.65	6,380.65	-	-	-
Body Armor Fund	5,066.60	5,066.60	5,066.60	-	-	-
Bullet Proof Vest Partnership Grant	-	10,310.23	10,310.23	-	-	-
Clean Communities Program	-	61,800.94	61,800.94	-	-	-
Drunk Driving Enforcement Fund	12,764.62	12,764.62	12,764.62	-	-	-
Emergency Management - 966 Grant	14,027.66	14,027.66	14,027.66	-	-	-
Municipal Alliance on Drug and Alcohol Abuse	20,000.00	54,915.00	54,915.00	-	-	-
Municipal Alliance on Drug and Alcohol Abuse - Local Match	-	8,728.75	8,728.75	-	-	-
Recycling Tonnage Grant	52,604.55	52,604.55	52,604.55	-	-	-
Post Sandy Planning Assistane Grant	24,500.00	24,500.00	24,500.00	-	-	-
Matching Fund for Grants	15,000.00	6,271.25	-	-	6,271.25	-
Total Operations excluded from Caps	711,623.43	825,030.25	782,852.66	3,102.35	39,075.24	-
Detail:						
Salaries and Wages	232,200.00	232,200.00	232,200.00	-		-
Other Expenses	479,423.43	592,830.25	550,652.66	3,102.35	39,075.24	-
CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS						
Capital Improvement Fund	90,000.00	90,000.00	90,000.00	-	-	-
Total Capital Improvements excluded from Caps	90,000.00	90,000.00	90,000.00	-	-	-
MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS						
Payment of Bond Principal	790,000.00	790,000.00	790,000.00	-	-	-
Payment of Bond Anticipation Notes	1,175,000.00	1,175,000.00	1,175,000.00	-	-	-
Interest on Bonds	174,685.00	174,685.00	174,685.00	-	-	-
Interest on Notes	125,000.00	125,000.00	125,000.00	-	-	-
Green Trust Loan Program:						-
Principal	46,548.00	46,548.00	46,548.00	-	-	-
Interest	17,135.00	17,135.00	17,135.00	-	-	-
Total Municipal Debt Service excluded from Caps	2,328,368.00	2,328,368.00	2,328,368.00	-	-	-

TOWNSHIP OF LACEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Appropriated		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid	Encumbered	Reserved	
DEFERRED CHARGES EXCLUDED FROM CAPS						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	$ 200,000.00	$ 600,000.00	$ 600,000.00	$ -	$ -	$ -
Total Deferred Charges excluded from Caps	200,000.00	600,000.00	600,000.00	-		-
Total General Appropriations excluded from Caps	3,329,991.43	3,843,398.25	3,801,220.66	3,102.35	39,075.24	-
Subtotal General Appropriations	27,200,877.43	28,074,284.25	26,704,508.56	249,236.54	1,120,539.15	-
Reserve for Uncollected Taxes	1,472,411.92	1,472,411.92	1,472,411.92	-	-	-
Total General Appropriations	$ 28,673,289.35	$ 29,546,696.17	$ 28,176,920.48	$ 249,236.54	1,120,539.15	$ -
	Ref.	A-1,3	A-3	A	A	A-1

	Ref.	
Budget	A-2	$ 28,673,289.35
Added by N.J.S. 40A:4-87	A-2	513,406.82
Emergency Authorization	A-8	360,000.00
	A-3	$ 29,546,696.17

Disbursements	A-4	$ 25,493,409.56
Reserve for:		
Uncollected Taxes	A-2	1,472,411.92
Reserve for Revaluation of Property		360,000.00
Deferred Charges:		
Special Emergency Authorizations	A-8	600,000.00
Interfunds:		
Grant Fund	A-14	251,099.00
	A-3	$ 28,176,920.48

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE

Exhibit B
Sheet 1 of 2

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	Ref.	2014	2013
Assets			
Assessment Fund:			
Interfunds:			
Current Fund	B-3	$ 14,851.50	$ 14,851.50
		14,851.50	14,851.50
Animal Control Trust Fund:			
Cash	B-2	31,735.04	14,504.41
Other Trust Fund:			
Cash	B-2	1,646,413.55	1,494,022.66
Interfunds:			
Current Fund	B-8	1,694.28	-
Payroll Fund	B-8	-	6,576.95
		1,648,107.83	1,500,599.61
Length of Service Awards Program Fund (LOSAP) - Unaudited:			
Funds Held by Trustee	B-7	1,561,061.79	1,459,602.71
		$ 3,255,756.16	$ 2,989,558.23
Liabilities, Reserves and Fund Balance			
Assessment Fund:			
Fund Balance	B-1	$ 14,851.50	$ 14,851.50
		14,851.50	14,851.50
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-4	31,590.44	14,456.41
Fees Due to State of New Jersey	B-5	144.60	48.00
		31,735.04	14,504.41

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE

Exhibit B
Sheet 2 of 2

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	Ref.	2014	2013
Liabilities, Reserves and Fund Balance (Continued)			
Other Trust Fund:			
Miscellaneous Reserves:			
Developers' Escrows	B-6	779,904.90	763,643.79
Various Reserves	B-6	849,672.73	596,667.65
Unemployment	B-6	18,530.20	34,892.08
Interfunds:			
Current Fund		-	105,396.09
		1,648,107.83	1,500,599.61
Length of Service Awards Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Awards Program (LOSAP)	B-7	1,561,061.79	1,459,602.71
		$ 3,255,756.16	$ 2,989,558.23

ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - ASSESSMENT FUND - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Exhibit B-1

Balance December 31, 2014 and 2013	B	$ 14,851.50

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND **Exhibit C**

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	Ref.	2014	2013
Assets			
Cash and Cash Equivalents	C-2	$ 408,101.85	$ 571,062.65
Deferred Charges to Future Taxation:			
Funded	C-4	4,331,749.54	5,168,297.66
Unfunded	C-5	12,506,573.00	10,600,073.00
Grants Receivable	C-6	1,152,500.00	467,500.00
		$ 18,398,924.39	$ 16,806,933.31
Liabilities, Reserves and Fund Balance			
Capital Improvement Fund	C-7	$ 56,384.25	$ 35,884.25
Improvement Authorizations:			
Funded	C-9	867,525.30	27,476.98
Unfunded	C-9	4,963,019.16	3,812,163.63
Reserve for Encumbrances	C-9	605,294.14	646,360.79
Serial Bonds	C-10	3,510,000.00	4,300,000.00
DEP Loan Payable	C-11	821,749.54	868,297.66
Bond Anticipation Notes	C-12	7,500,000.00	7,000,000.00
Reserve to Pay Debt Service	C-13	46,000.00	84,370.00
Fund Balance	C-1	28,952.00	32,380.00
		$ 18,398,924.39	$ 16,806,933.31

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of $5,006,753.00 and $3,600,073.00, respectively (Schedule C-14).

The accompanying Notes to Financial statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND **Exhibit C-1**

STATEMENT OF FUND BALANCE - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Ref.	
Balance December 31, 2013	C	$ 32,380.00
Increased by:		
Receipts:		
Premium on Sale of Notes	C-2	28,952.00
		61,332.00
Decreased by:		
Payment to Current Fund as Anticipated Revenue	C-2	32,380.00
Balance December 31, 2014	C	$ 28,952.00

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN

PAYROLL FUND **Exhibit D**

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	2014	2013
Assets		
Cash	$ 115,805.96	$ 109,902.67
Interfund - Current Fund	-	14,275.77
	$ 115,805.96	$ 124,178.44
Liabilities		
Due to Various Agencies	$ 115,805.96	$ 117,601.49
Interfunds:		
Other Trust Fund	-	6,576.95
	$ 115,805.96	$ 124,178.44

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL FIXED ASSET ACCOUNT GROUP **Exhibit E**

COMPARATIVE STATEMENT OF FIXED ASSETS AND FUND BALANCE
REGULATORY BASIS

STATEMENT OF GENERAL FIXED ASSETS

DECEMBER 31, 2014 AND 2013

	2014	2013
General Fixed Assets:		
Land	$ 12,237,800.00	$ 12,237,800.00
Buildings	3,011,800.00	3,011,800.00
Machinery and Equipment	9,805,459.08	9,243,535.25
	$ 25,055,059.08	$ 24,493,135.25
Investment in General Fixed Assets	$ 25,055,059.08	$ 24,493,135.25

The accompanying Notes to Financial Statements are an integral part of this statement.

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TOWNSHIP OF LACEY
COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of the Township of Lacey, County of Ocean, New Jersey (the "Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The financial statements of the Lacey Township Municipal Utilities Authority are reported separately.

B. Descriptions of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles (GAAP):

Current Fund - revenues and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Assessment Trust Fund - used to account for the financing of local improvements deemed to benefit the properties against which assessments are levied.

Animal Control Trust Fund - animal license revenues and expenditures.

Other Trust Fund - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Payroll Fund - receipt and disbursement for payroll costs and payroll taxes.

General Fixed Assets Account Group - used to account for fixed assets used in general government operations.

Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting, Measurement Focus and Basis of Presentation

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. A modified accrual basis of accounting is followed by the Township. Modifications from the accrual basis follow:

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Deferred Charges - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The compensated absence liability at December 31, 2014 is set forth in Note 4.

Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting, Measurement Focus and Basis of Presentation (continued)

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Interfunds - advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

General Fixed Assets - In accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Township has developed a fixed assets accounting and reporting system. Fixed assets acquired prior to January 1, 1987 are based on an inspection and appraisal prepared by an independent firm. All general fixed assets acquired after January 1, 1987 are recorded at cost.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting, Measurement Focus and Basis of Presentation (continued)

General Fixed Assets - (continued)

During 2014 the following changes occurred in the fixed assets of the Township:

	Balance December 31, 2013	Additions	Retirements	Balance December 31, 2014
General Fixed Asset Group:				
Land	$ 12,237,800.00	$ -	$ -	$ 12,237,800.00
Buildings	3,011,800.00	-	-	3,011,800.00
Machinery and Equipment	9,243,535.25	561,923.83	-	9,805,459.08
	$ 24,493,135.25	$ 561,923.83	$ -	$ $ 25,055,059.08

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Township presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division in accordance with applicable statutes.

F. Reporting Entity

GASB Statement 14 establishes criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately. The financial statements of the Township of Lacey Municipal Utilities Authority are reported separately.

G. Subsequent Events

The Township has evaluated subsequent events through June 15, 2015, the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

> The market value of the collateral must equal five percent of the average daily balance of public funds; or
>
> If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

At year-end the carrying amount of the Township's deposits was $10,444,119.60 and the bank balance amount was $10,670,760.59. Of this amount $250,000.00 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered $10,030,360.38. An amount of $390,400.21 was on deposit in the name of various developers for escrow and is either insured by federal depository insurance or uninsured depending on the deposits of the individual developer in the escrow depository.

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Township:

(1) Bonds or other obligations of the United States or obligations guaranteed by the United States.

(2) Government money market mutual funds.

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.

(4) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.

Note 2. Cash and Cash Equivalents (continued)

B. Investments (continued)

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.

(6) Municipal investment pools.

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
(b) the custody of collateral is transferred to a third party;
(c) the maturity of the agreement is not more than 30 days;
(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
(e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute up to one twentieth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

At year-end the Township had no investments.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

Note 2. Cash and Cash Equivalents (continued)

C. Cash Management Plan (continued)

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

D. Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

Depository Account	2014	2013
Insured:		
FDIC	$ 250,000.00	$ 250,000.00
GUDPA	9,803,169.11	17,939,323.00
Uninsured	390,950.49	389,228.00
	$ 10,444,119.60	$ 18,578,551.00

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township

Note 3. Taxes Receivable

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparative Schedule of Tax Rate Information

	2014	2013	2012
Tax Rate	$ 1.440	$ 1.647	$ 1.526
Apportionment of Tax Rate			
Net County Levy	0.315	0.303	0.286
County Library Tax	0.035	0.035	0.033
County Health Tax	0.013	0.013	0.012
County Open Space Tax	0.011	0.011	0.011
District School Tax	1.066	1.033	0.957
Local Municipal Purpose Tax	0.280	0.252	0.227

.

Net Valuation Taxable

2014	$ 4,238,500,299.00
2013	$ 4,271,828,151.00
2012	$ 4,300,994,167.00

Comparison of Tax Levies and Collection Currently

Year	Tax Levy	Cash Collections	Percentage Of Collection
2014	$ 73,218,938.65	$ 72,418,083.28	98.91%
2013	70,552,994.00	69,407,691.00	98.38%
2012	65,809,474.00	64,685,243.00	98.29%

Property Acquired by Tax Title Lien Liquidation

Year	Amount
2014	$ 3,177,580.00
2013	3,177,580.00
2012	3,177,580.00

Note 3. Taxes Receivable (continued)

Delinquent Taxes and Tax Title Liens

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2014	$ 189,225.82	$ 444,310.55	$ 633,536.37	0.87%
2013	164,926.32	622,448.13	787,374.45	1.12%
2012	136,495.90	605,877.88	742,373.78	1.13%

Note 4. Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

The Township's long-term debt is summarized as follows:

General Capital Fund - General Improvements	
4.00% General Improvement Serial Bonds issued August 1, 2006, installment maturities to August 1, 2018	$ 3,510,000.00

The General Capital Fund - General Improvement Bonds mature serially in installments to the year 2018. Aggregate debt service requirements are as follows:

Year	Principal	Interest
2015	$ 825,000	$ 366,535
2016	855,000	110,085
2017	895,000	75,030
2018	935,000	38,335
Total	$ 3,510,000	$ 366,535

Note 4. Debt (continued)

A. Long-Term Debt (Continued)

DEP Loan

The Township has a low interest loan (2%) from the New Jersey Department of Environmental Protection. $1,024,111 for dam restoration was finalized in 2003. The Township must repay the loans in semi-annual installments over twenty years. The balance December 31, 2014 was $821,750. Loan payments are due through 2029.

Debt service requirements are as follows:

Year	Principal	Interest
2015	$ 47,484	$ 16,199
2016	48,438	15,244
2017	49,412	14,271
2018	50,405	13,278
2019	51,418	12,264
2020	52,452	11,231
2021	53,506	10,177
2022	54,581	9,101
2023	55,678	8,004
2024	56,798	6,885
2025	57,939	5,743
2026	59,104	4,579
2027	60,292	3,391
2028	61,503	2,178
2029	62,740	942
Total	$ 821,750	$ 133,487

B. Short-Term Debt

On December 31, 2014, the Township's outstanding bond anticipation notes were as follows:

Note 4. Debt (continued)

B. Short-Term Debt (continued)

General Capital Fund

Ordinance Number	Improvement Description		Amount	Interest Rate
2006-55	Design and Construction of Connector Road	$	560,000.00	1.00%
2007-15	EMS Equipment and Court Security Upgrades		10,000.00	1.00%
2007-20	Telephone System Upgrade		5,000.00	1.00%
2007-28	Road and Drainage Improvements and Dredging		490,000.00	1.00%
2008-10	Bayside Beach Dredging		220,000.00	1.00%
2008-17	Various Improvements		240,000.00	1.00%
2008-21	Deerhead Lake Dam Improvements		410,000.00	1.00%
2008-23	Acquisition of Real Property		1,100,000.00	1.00%
2008-24	Conifer Drive Improvements		215,000.00	1.00%
2008-26	Various Improvements		110,000.00	1.00%
2008-27	Purchase Fire Truck and Ambulance		685,000.00	1.00%
2009-16	Wordens Oyster Pond		100,000.00	1.00%
2009-28	Conifer Drive Phase III		205,000.00	1.00%
2011-16	Lake Barnegat Drive North Road Improvements		98,000.00	1.00%
2011-20	Lake Barnegat Drive North Road Improvements, Alternate 2		84,000.00	1.00%
2011-21	Purchase of an Ambulance		75,000.00	1.00%
2012-20	Various Improvements		1,218,000.00	1.00%
2013-16, 29	Various Improvements		1,675,000.00	1.00%
		$	7,500,000.00	

C. Bonds and Notes Authorized but not Issued

At December 31 the Township had authorized but not issued bonds and notes as follows:

		2014		2013
General Capital Fund - General Improvements	$	4,911,573.00	$	3,505,073.00
General Capital Fund - Local Improvements		95,000.00		95,000.00
	$	5,006,573.00	$	3,600,073.00

Note 4. Debt (continued)

D. Summary of Debt Activity

During 2014 and 2013 the following changes occurred in the debt service of the Township:

	Balance December 31, 2013	Issued	Retirements	Balance December 31, 2014
General Capital Fund:				
Serial Bonds	$ 4,300,000.00	$ -	$ 790,000.00	$ 3,510,000.00
Bond Anticipation Notes	7,000,000.00	1,675,000.00	1,175,000.00	7,500,000.00
DEP Loan	868,297.66	-	46,548.12	821,749.54
	$ 12,168,297.66	$ 1,675,000.00	$ 2,011,548.12	$ 11,831,749.54

	Balance December 31, 2012	Issued	Retirements	Balance December 31, 2013
General Capital Fund:				
Serial Bonds	$ 5,055,000.00	$ -	$ 755,000.00	$ 4,300,000.00
Bond Anticipation Notes	6,800,000.00	1,218,000.00	1,018,000.00	7,000,000.00
DEP Loan	913,928.60	-	45,630.94	868,297.66
	$ 12,768,928.60	$ 1,218,000.00	$ 1,818,630.94	$ 12,168,297.66

E. Summary of Municipal Debt

	2014	2013	2012
Issued			
General			
Bonds, Notes and Loans	$ 11,831,749.54	$ 12,168,297.66	$ 12,768,928.60
Less:			
Funds Temporarily Held to Pay Bonds:			
General Capital Fund	46,000.00	84,370.00	926,870.00
Net Debt Issued	11,785,749.54	12,083,927.66	11,842,058.60
Authorized but not Issued			
General			
Bonds, Notes and Loans	5,006,753.00	3,600,073.00	2,964,073.00
Net Bonds and Notes Issued and Authorized but not Issued	$ 16,792,502.54	$ 15,684,000.66	$ 14,806,131.60

Note 4. Debt (continued)

F. Summary of Statutory Debt Condition- Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of .431%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	$ 38,435,000.00	$ 38,435,000.00	$ -
General Debt	16,838,322.54	46,000.00	16,792,322.54
	$ 55,273,322.54	$ 38,481,000.00	$ 16,792,322.54

Net Debt $16,792,322.54 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended $3,898,581,502 = .431%.

G. Borrowing Power Under N.J.S.A. 40A:2-6

3.5% of Equalized Valuation Basis (Municipal)	$ 136,450,352.57
Net Debt	16,792,322.54
Remaining Borrowing Power	$ 119,658,030.03

Note 5. Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation and sick pay. The Township permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated maximum current cost of such unpaid compensation approximates $1,053,676.66 and $1,064,501.00 at December 31, 2014 and 2013, respectively, assuming that all personnel retire from the Township. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

Note 6. Fund Balance Appropriated

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the municipal budget for the year ending December 31 of the succeeding years are as follows:

Year Current Fund	Balance December 31	Utilized in Budget of Succeeding Year
2014	$ 4,681,753.30	$ 4,200,000.00
2013	3,807,453.40	3,600,000.00
2012	3,861,274.00	3,600,000.00
2011	4,006,603.00	3,600,000.00
2010	4,008,064.00	3,800,000.00

Note 7. Assessment and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Regional School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13th.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 8. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

Note 9. Deferred Charges to Future Taxation Funded and Unfunded

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014 and 2013, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance December 31, 2013	Increases	Balance to Succeeding Budgets
Current Fund:			
Emergency	$ -	$ 360,000.00	$ 360,000.00
Current Fund:			
Special Emergency	$ 600,000.00	600,000.00	-

The appropriation in the 2015 and 2014 budgets were not less than that required by statute.

Note 10. Pension Plans

Substantially all of the Township's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits ("the Division"): the Police and Firemen's Retirement System ("the PFRS"), the Public Employees' Retirement System ("the PERS") or the Defined Contribution Retirement Program ("the DCRP"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

A. Public Employees' Retirement System (PERS)

The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed on the following page.

Note 10. Pension Plans (continued)

B. Police and Firemen's Retirement System (PFRS)

The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

C. Defined Contribution Retirement Program (DCRP)

The DCRP was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Division. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by State statute. Plan members are required to contribute 5.5% of their annual covered salary and the Township is required to contribute 3% of the annual salary. The employee contributions along with the Township's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Township employees enrolled in the DCRP for the years ended December 31, 2014, 2013 and 2012.

Note 10. Pension Plans (continued)

Other Information

The Township's contributions, equal to the required contribution for each fiscal year, were as follows:

	2014		2013		2012	
	PERS	PFRS	PERS	PFRS	PERS	PFRS
Normal Contribution	$ 82,523.00	$ 370,872.00	$ 126,038.00	$ 467,006.00	$ 154,754.00	$ 504,386.00
Accrued Liability	362,823.00	610,515.00	301,359.00	618,019.00	309,508.00	567,647.00
Total Regular Pension Contribution	445,346.00	981,387.00	427,397.00	1,085,025.00	464,262.00	1,072,033.00
Non-Contributory Group Life Insurance	7,574.00	37,454.00	25,437.00	44,810.00	29,579.00	39,267.00
Other						
Chapter 19, P.L. 2009 Deferred Contribution	-	-	25,593.00	63,741.00	25,265.00	63,280.00
Total Due	$ 452,920.00	$ 1,018,841.00	$ 478,427.00	$ 1,193,576.00	$ 519,106.00	$ 1,174,580.00

The Division does not invest in securities issued by the Township.

Note 11. School Taxes

Local District School taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

The Township, by resolution of the governing body in 2015, deferred $900,000.00 of school taxes for the year ending December 31, 2014.

	Local District School Tax Balance December 31	
	2014	2013
Balance of Tax	$ 23,973,221.00	$ 23,124,388.00
Deferred	22,397,054.00	21,497,054.00
Tax Payable	$ 1,576,167.00	$ 1,627,334.00

Note 12. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.) The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. A portion of funds collected from employees are transmitted to the State. The Reserve for Unemployment Trust at December 31, 2014 and 2013 is $34,892.08 and $18,530.20, respectively.

Note 13. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Township pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Township has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

The Township has established a self-insurance program in accordance with New Jersey Statute Chapter 40:10. The Statute enables the governing body of any local unit to provide insurance coverage for its exposure to a wide variety of property and liability casualty risks. The Township self insures for dental coverage. At December 31, 2014 and 2013 the Township's exposure for claims incurred under the above self-insurance program is not presently determinable. There is a balance in the self-insurance trust fund of $10,722.54 and $14,063.69 at December 31, 2014 and 2013, respectively.

Note 14. Contingent Liabilities

State and Federal Financial Assistance

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2014, the Township estimates that no material liabilities will result from such audits.

Major Tax Assessments

Taxpayers in 2014 with assessments in excess of 1% of the total assessed valuation were as follows:

Owner	Assessed Value	% of Value
Exelon Generation Co.	$ 145,292,200	3.43%
JCP&L	49,433,800	1.17%

Note 14. Contingent Liabilities (continued)

Pending Litigation

There are actions which have been instituted against the Township which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Township.

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The Township officials believe that negligence and other types of liability suits, of which the Township is aware, appear to be within the stated policy limits and would be deferred by the respective carriers

Note 15. Interfund Receivables and Payables

The following interfund balances remained on the balance sheets at December 31, 2014:

Fund	Interfund Receivables	Interfund Payables
Current Fund	-	144,196.73
Grant Fund	127,650.95	-
Assessment Trust Fund	14,851.50	-
Other Trust Fund	1,694.28	-
Total	144,196.73	144,196.73

The purpose of interfunds is for short-term borrowing.

Note 16. Service Contract – Municipal Utilities Authority

The Township executed a contract dated July 2, 1971 providing for a service contract between the Township and the Lacey Township Municipal Utilities Authority (the "Authority") which, among other things, obligates the Township to pay to the Authority such sums of money as may be necessary to provide for deficits which result from failure of the Authority to provide adequate revenues from the operations of the Authority.

Note 17. Deferred Compensation

The Township has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Township has engaged a private contractor to administer the Plan.

Note 18. Length of Service Award Program ("LOSAP") - Unaudited

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer first Aid and Fire Department squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be $1,150 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2005.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Committee for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Township Committee as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Note 18. Length of Service Award Program ("LOSAP") – Unaudited (continued)

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant my resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

Note 19. Other Post-Retirement Benefits

The Township provides a single-employee defined benefits healthcare plan administered by Horizon Blue Cross Blue Shield. The Township provides, pursuant to Committee action and as provided by resolution, certain group healthcare and dental benefits for active and certain retired employees and their covered dependents, as well as Medicare Part B reimbursement (for those retirees that receive fully-subsidized benefits). Active employees who retire from the Township and meet the eligibility criteria are eligible to receive these benefits from the Township at no cost.

The Township has not implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, that was required for governmental agencies starting in 2013.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

	Ref.		
Balance December 31, 2013	A		$ 12,452,939.57
Increased by Receipts:			
Taxes Receivable	A-6	$ 71,360,193.58	
Tax Title Liens	A-7	54,600.19	
Tax Overpayments		157,319.69	
Prepaid Taxes	A	490,011.88	
State of New Jersey (Ch. 20, P.L. 1971)	A-5	427,050.21	
Revenue Accounts Receivable	A-9	13,497,040.44	
Miscellaneous Revenue not Anticipated	A-2	1,137,255.74	
Tax Anticipation Note Payable	A-4	7,500,000.00	
Interfunds:			
Other Funds	A-13	124,861.27	
Grant Fund	A-14	256,523.86	
Reserve for FEMA			
Due to Lacey MUA	A-4	490,850.26	
Due to State for Fees Collected	A-4	24,343.00	
			95,520,050.12
			107,972,989.69
Decreased by Disbursements:			
Budget Appropriations	A-3	25,493,409.56	
Appropriation Reserves	A-10	638,297.35	
Accounts Payable	A-4	28,063.72	
Emergency Note Payable	A-3	600,000.00	
Tax Overpayments	A	222,036.90	
County Taxes Payable	A-11	15,913,814.63	
Local School District Tax	A-12	44,321,114.00	
Tax Anticipation Note Payable	A-4	11,500,000.00	
Reserve for:			
Revaluation	A-4	297,000.00	
FEMA		27,066.88	
Interfunds:			
Other Funds	A-13	32,024.82	
Grant Fund	A-14	228,536.72	
Due to Lacey MUA	A	483,705.97	
Due to State for Fees Collected		23,455.00	
			99,808,525.55
Balance December 31, 2014	A		$ 8,164,464.14

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-5**

SCHEDULE OF DUE FROM STATE OF NEW JERSEY

(CHAPTER 20, P.L. 1971)

Balance December 31, 2013 - Due To		$ (30,440.74)
Increased by:		
2014 Senior Citizens and Veterans Exemptions per Tax Duplicate	$ 477,505.16	
2014 Deductions Allowed by Tax Collector	6,750.00	
Prior Year Deductions Allowed by Tax Collector	4,500.00	488,755.16
Subtotal		458,314.42
Decreased by:		
2014 Deductions Disallowed by Tax Collector	8,173.28	
Prior Year Deductions Disallowed by Tax Collector	25,263.02	
Cash Received	427,050.21	
		460,486.51
Balance December 31, 2014 - Due To		$ (2,172.09)

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-6

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2013	Levy	Collections 2013	Collections 2014	Due from State	Transferred to Liens	Cancelled	Balance Dec. 31, 2014
2007	$ 3,250.00	$ -	$ -	$ 3,250.00	$ -	$ -	$ -	$ -
2008	3,250.00	-	-	3,250.00	-	-	-	-
2009	3,150.00	-	-	2,900.00	250.00	-	-	-
2010	3,869.75	-	-	3,619.75	250.00	-	-	-
2011	4,796.64	-	-	4,796.64	-	-	-	-
2012	8,882.16	-	-	5,645.57		-	-	3,236.59
2013	595,249.58	15,511.59	-	590,713.31	(21,013.02)	31,707.19	8,399.70	953.99
	622,448.13	15,511.59	-	614,175.27	(20,513.02)	31,707.19	8,399.70	4,190.58
2014	-	73,218,938.65	1,195,983.09	70,746,018.31	476,081.88	46,916.41	313,818.99	440,119.97
	$ 622,448.13	$ 73,234,450.24	$ 1,195,983.09	$ 71,360,193.58	$ 455,568.86	$ 78,623.60	$ 322,218.69	$ 444,310.55

Analysis of 2014 Property Tax Levy

Tax Yield:			
General Purpose Tax		$ 72,902,205.14	
Added and Omitted Taxes		316,733.51	
			$ 73,218,938.65
Tax Levy:			
Local District School Tax (Abstract)		$ 45,169,947.00	
County Taxes:			
County Tax (Abstract)	$ 13,372,966.16		
County Library Tax (Abstract)	1,490,455.04		
County Health (Abstract)	536,015.81		
County Open Space Tax (Abstract)	469,975.56		
Due County for Added and Omitted Taxes	72,281.38		
Total County Taxes		15,941,693.95	
Local Tax for Municipal Purposes	11,857,020.92		
Additional Tax Levied	250,276.78		
		12,107,297.70	
			$ 73,218,938.65

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-7**

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2013		$ 164,926.32
Increased by:		
Transfers from Taxes Receivable	$ 78,623.60	
Interest and Costs Accrued at Sale	3,434.21	
		82,057.81
		246,984.13
Decreased by:		
Receipts	54,600.19	
Cancelled	3,158.12	
		57,758.31
Balance December 31, 2014		$ 189,225.82

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-8

SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55

Date Authorized	Improvement Description	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2013	2014 Authorization	2014 Budget Appropriation	Balance Dec. 31, 2014
2012	Hurricane Sandy	$ 1,000,000.00	$ 200,000.00	$ 600,000.00		$ 600,000.00	$ -
2014	Revaluation of Real Property	360,000.00	72,000.00	-	360,000.00	-	360,000.00
				$ 600,000.00	$ 360,000.00	$ 600,000.00	$ 360,000.00
			Ref.	A	A-3	A-3	A

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance Dec. 31, 2013	Accrued in 2014	Collected by Treasurer	Balance Dec. 31, 2014
Alcoholic Beverages Licenses	A-2	$ -	$ 28,440.00	$ 28,440.00	$ -
Fines and Costs					
Municipal Court	A-2	24,402.97	349,087.63	350,142.57	23,348.03
Interest and Costs on Taxes	A-2	-	201,927.08	201,927.08	-
Interest on Deposits and Investments	A-2	-	2,988.79	2,988.79	-
Beach Badges	A-2	-	24,975.00	24,975.00	-
Dock Rentals	A-2	-	72,325.00	72,325.00	-
County Recycling Rebate	A-2	-	49,087.16	49,087.16	-
Cable Television Franchise Fees	A-2	-	99,651.89	99,651.89	-
Uniform Construction Code Fees	A-2	-	402,890.00	402,890.00	-
State Aid:					
Energy Receipts Tax	A-2	-	11,107,558.00	11,107,558.00	-
Garden State Preservation Trust Fund	A-2	-	166,282.00	166,282.00	-
Shared Services Agreements:					
Township of Ocean	A-2	-	16,975.00	16,975.00	-
Borough of Harvey Cedars	A-2	-	2,100.00	2,100.00	-
General Capital Fund - Fund Balance	A-2	-	32,380.00	32,380.00	-
Recreation Summer Program Fees	A-2	-	35,018.00	35,018.00	-
FEMA Reimbursement	A-2	-	819,951.80	819,951.80	-
Reserve to Pay Debt Service	A-2	-	84,370.00	84,370.00	-
		$ 24,402.97	$ 13,496,007.35	$ 13,497,062.29	$ 23,348.03
Receipts	A-4			$ 13,497,040.44	
Interfunds	A-13			21.85	
				$ 13,497,062.29	

TOWNSHIP OF LACEY - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2013	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
APPROPRIATIONS WITHIN CAPS					
General Government					
General Administration					
Salaries and Wages	$ 559.52	$ -	$ 559.52	$ -	$ 559.52
Other Expenses	-	1,780.00	1,780.00	1,400.00	380.00
Township Committee					
Salaries and Wages	1,500.10	-	1,500.10	-	1,500.10
Other Expenses	960.00	853.62	1,813.62	-	1,813.62
Municipal Clerk					
Salaries and Wages	640.14	-	640.14	-	640.14
Other Expenses	20,740.67	-	20,740.67	8,095.35	12,645.32
Financial Administration (Treasury)					
Salaries and Wages	13,759.21	-	13,759.21	8,057.56	5,701.65
Other Expenses	1,215.08	1,234.05	2,449.13	1,330.77	1,118.36
Audit Services					
Other Expenses	-	13,500.00	13,500.00	13,500.00	-
Information Technology					
Other Expenses	7.70	-	7.70	-	7.70
Computerized Data Processing					
Salaries and Wages	12,000.10	-	12,000.10	5,205.91	6,794.19
Revenue Administration (Tax Collector)					
Salaries and Wages	15,237.94	-	15,237.94	-	15,237.94
Other Expenses	58,765.37	2,397.63	61,163.00	2,641.43	58,521.57
Tax Assessment Administration					
Salaries and Wages	13,525.43	-	13,525.43	-	13,525.43
Other Expenses	318.00	168.00	486.00	436.22	49.78
Tax Map Maintenance					
Other Expenses	5,086.00	-	5,086.00	2,901.52	2,184.48
Legal Services					
Other Expenses	26,012.17	-	26,012.17	6,403.87	19,608.30
Engineering Services					
Other Expenses	53,516.50	3,080.37	56,596.87	5,403.87	51,193.00

TOWNSHIP OF LACEY - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2013	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Land Use Administration					
Planning Board					
Salaries and Wages	$ 250.00	$ -	$ 250.00	$ -	$ 250.00
Other Expenses	10,182.63	-	10,182.63	1,038.75	9,143.88
Zoning Board of Adjustment					
Salaries and Wages	250.00	-	250.00	-	250.00
Other Expenses	16,285.75	-	16,285.75	141.75	16,144.00
Land Use					
Salaries and Wages	35,901.75	-	35,901.75	-	35,901.75
Other Expenses	2,957.10	632.46	3,589.56	652.06	2,937.50
Code Enforcement and Zoning					
Salaries and Wages	1,413.21	-	1,413.21	-	1,413.21
Other Expenses	1,055.51	-	1,055.51	88.44	967.07
Insurance					-
Workers Compensation	6,800.26	-	6,800.26	-	6,800.26
Employee Group Health	104,436.67	-	104,436.67	86,804.81	17,631.86
Public Safety					
Police					-
Salaries and Wages	102,479.02	8,519.90	110,998.92	8,519.90	102,479.02
Other Expenses	8,296.05	66,093.66	74,389.71	74,371.19	18.52
Crossing Guards					
Salaries and Wages	12,416.14	-	12,416.14	-	12,416.14
Office of Emergency Management					
Salaries and Wages	1,330.20	-	1,330.20	-	1,330.20
Other Expenses	52.12	459.00	511.12	459.00	52.12
Search and Recovery Team					
Other Expenses	2.11	3,193.00	3,195.11	3,193.00	2.11
Aid to Volunteer Ambulance Companies					
Forked River Fire Company	2,170.88	3,845.00	6,015.88	3,845.00	2,170.88
Maintenance and Repair of Emergency Equipment					
Other Expenses	2,983.00	-	2,983.00	-	2,983.00
Fire					
Forked River Fire Company					
Other Expenses	-	7,010.00	7,010.00	6,674.00	336.00

TOWNSHIP OF LACEY - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2013	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Lanoka Harbor Fire Company					
Other Expenses	$ 2,033.44	$ 9,435.20	$ 11,468.64	$ 9,130.23	$ 2,338.41
Bamber Lake Fire Company					
Other Expenses	-	5,467.20	5,467.20	5,467.20	-
Municipal Prosecutor					
Other Expenses	4,593.28	-	4,593.28	-	4,593.28
Municipal Court					
Salaries and Wages	4,688.60	-	4,688.60	-	4,688.60
Other Expenses	1,246.95	64.90	1,311.85	662.08	649.77
Public Defender					
Other Expenses	43.90	-	43.90	-	43.90
Public Works					
Streets and Road Maintenance					
Salaries and Wages	57,693.49	-	57,693.49	41,135.92	16,557.57
Other Expenses	94,872.51	10,977.72	105,850.23	103,747.88	2,102.35
Solid Waste Collection					
Salaries and Wages	30,425.40	-	30,425.40	4,351.27	26,074.13
Other Expenses	136,603.15	3,485.63	140,088.78	135,298.59	4,790.19
Buildings and Grounds					
Salaries and Wages	12,757.82	-	12,757.82	-	12,757.82
Other Expenses	4,198.43	7,430.94	11,629.37	9,002.86	2,626.51
Maintenance and Upgrade of Facilities				-	
Other Expenses	1,102.28	151.76	1,254.04	849.57	404.47
Sanitary Landfill Testing					
Other Expenses	900.00	-	900.00	900.00	-
Vehicle Maintenance (Including Police)					
Other Expenses	13,162.75	21,307.27	34,470.02	19,418.40	15,051.62
Health and Welfare					
Public Health Services (Board of Health)					
Other Expenses	2,621.11	9,306.00	11,927.11	7,589.06	4,338.05
Welfare/Administration of Public Assistance					
Other Expenses	2,500.00	-	2,500.00	-	2,500.00
Parks and Recreation					
Recreation Services and Programs					

TOWNSHIP OF LACEY - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2013	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages	$ 321.69	$ -	$ 321.69	$ -	$ 321.69
Other Expenses	3,008.63	139.44	3,148.07	172.10	2,975.97
Maintenance of Parks					
Other Expenses	2,187.24	4,077.00	6,264.24	4,102.00	2,162.24
Maintenance of Docks					
Other Expenses	1,023.60	-	1,023.60	-	1,023.60
Unclassified					
Accumulated Leave Compensation					
Salaries and Wages	55,159.76	-	55,159.76	-	55,159.76
Juvenile Committee					
Other Expenses	70.58	-	70.58	45.95	24.63
Utility Expenses and Bulk Purchases					
Electricity	103,130.15	1,029.17	104,159.32	8,021.84	96,137.48
Street Lighting	69,539.10	-	69,539.10	1,162.89	68,376.21
Telephone	1,132.61	831.65	1,964.26	1,495.32	468.94
Gas (Natural or Propane)	17,019.78	160.18	17,179.96	5,761.96	11,418.00
Fuel Oil	10.68	-	10.68	-	10.68
Telecommunications Costs	1,000.00	-	1,000.00	-	1,000.00
Gasoline	17,131.15	24,375.00	41,506.15	23,494.16	18,011.99
Landfill/Solid Waste Disposal Costs	4,363.08	-	4,363.08	4,363.08	-
State Uniform Construction Code					
Construction Official					
Salaries and Wages	33,970.34		33,970.34	-	33,970.34
Other Expenses	5,323.80	2,813.57	8,137.37	1,006.41	7,130.96
Total Operations within Caps	1,216,941.63	213,819.32	1,430,760.95	628,343.17	802,417.78
Statutory Expenditures					
Contribution to:					
Public Employees' Retirement System	573.00	-	573.00	-	573.00
Social Security System (O.A.S.I.)	32,220.43	-	32,220.43	537.38	31,683.05
Police and Firemen's Retirement System of N.J.	424.00	-	424.00	-	424.00
Total Statutory Expenditures within Caps	33,217.43	-	33,217.43	537.38	32,680.05
Total Appropriations within Caps	1,250,159.06	213,819.32	1,463,978.38	628,880.55	835,097.83

TOWNSHIP OF LACEY - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2013	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
APPROPRIATIONS EXCLUDED FROM CAPS					
All Functions					
Length of Service Awards Program	$ 6,700.00	$ -	$ 6,700.00	$ -	$ 6,700.00
NJ DEP Stormwater Permit					
Streets and Roads Maintenance					
Salaries and Wages	2,787.08	-	2,787.08	-	2,787.08
Other Expenses	189.25	540.00	729.25	-	729.25
NJ Recycling Enhancement Act					
Landfill/Solid Waste Disposal Costs					
Other Expenses	16,032.00	-	16,032.00	16,032.00	-
Total Operations excluded from Caps	25,708.33	540.00	26,248.33	16,032.00	10,216.33
Total General Appropriations	$ 1,275,867.39	$ 214,359.32	$ 1,490,226.71	$ 644,912.55	$ 845,314.16

Disbursements	$ 638,297.35
Accounts Payable	6,615.20
	$ 644,912.55

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-11**

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2013		$ 44,402.06
Increased by:		
County Tax	$ 13,372,966.16	
County Library Tax	1,490,455.04	
County Health Tax	536,015.81	
County Open Space Tax	469,975.56	
Added and Omitted Taxes	72,281.38	
		15,941,693.95
		15,986,096.01
Decreased by:		
Payments		15,913,814.63
Balance December 31, 2014		$ 72,281.38

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-12

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance December 31, 2013:		
School Tax Payable	$ 1,627,334.00	
School Tax Deferred	21,497,054.00	
		$ 23,124,388.00
Increased by:		
Levy - School Year July 1, 2014 to June 30, 2014		45,169,947.00
		68,294,335.00
Decreased by:		
Payments		44,321,114.00
Balance December 31, 2014:		
School Tax Payable	1,576,167.00	
School Tax Deferred	22,397,054.00	
		$ 23,973,221.00

2014 Liability for Local District School Tax:	
Tax Paid	$ 44,321,114.00
Tax Payable December 31, 2014	1,576,167.00
	45,897,281.00
Less: Tax Payable December 31, 2013	1,627,334.00
Amount Charged to 2014 Operations	$ 44,269,947.00

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-13

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Assessment Trust Fund	Trust Other Fund	Payroll Fund
Balance December 31, 2013 - Due From	$ 76,268.82	$ (14,851.50)	$ 105,396.09	$ (14,275.77)
Increased by:				
Disbursements	32,024.82	-	17,749.05	14,275.77
Revenue Accounts Receivable	21.85	-	21.85	-
Total Increases	32,046.67	-	17,770.90	14,275.77
Total Increases and Balances	108,315.49	(14,851.50)	123,166.99	-
Decreased by:				
Receipts	124,861.27	-	124,861.27	-
Total Decreases	124,861.27	-	124,861.27	-
Balance December 31, 2014 - Due From/(Due To)	$ (16,545.78)	$ (14,851.50)	$ (1,694.28)	$ -

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-14**

SCHEDULE OF INTERFUND

GRANT FUND

Balance December 31, 2013 - Due To		$ 78,478.56
Increased by:		
Receipts:		
Revenues Received by Current	$ 163,990.63	
Unappropriated Reserves Received in Current Fund	92,533.23	
Cancel Grants Receivable	7,971.50	
Transferred from Budget Appropriations	251,099.00	
		515,594.36
		594,072.92
Decreased by:		
Disbursements:		
Grant Expenditures	228,536.72	
Anticipated Budget Revenue	237,885.25	
		466,421.97
Balance December 31, 2014 - Due To		$ 127,650.95

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-15

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

GRANT FUND

Grant	Balance Dec. 31, 2013	2014 Budget Revenue	Realized	Cancelled	Balance Dec. 31, 2014
Federal Awards					
Bulletproof Vest Program	$ -	$ 10,310.23	$ -	$ -	$ 10,310.23
Post Sandy Planning Assistance Grant	-	24,500.00	24,397.13	-	102.87
State Awards					
2014 Grant Awards:					
Alcohol Education and Rehabilitation	-	6,380.65	6,380.65	-	-
Body Armor Fund	-	5,066.60	5,066.60	-	-
Clean Communities Program	-	61,800.94	61,800.94	-	-
Drunk Driving Enforcement	-	12,764.62	12,764.62	-	-
Emergency Management - 966 Grant -2014		14,027.66	13,255.40	-	772.26
Emergency Management - 966 Grant -2013	4,939.00	-	4,388.00	-	551.00
Emergency Management Performance	2,308.37	-	-	-	2,308.37
Municipal Alliance Program -2014	-	50,430.00	15,356.01	-	35,073.99
Municipal Alliance Program -2013	31,030.00	-	31,030.00	-	-
Recreation for Handicapped	10,000.00	-	7,382.50	-	2,617.50
Recycling Tonnage Grant	-	52,604.55	52,604.55	-	-
County/Other Awards					
Ocean County Recycling Mini Grant-2011	20,247.50	-	-	7,971.50	12,276.00
	$ 68,524.87	$ 237,885.25	$ 234,426.40	$ 7,971.50	$ 64,012.22
Ref.	A	A-2,14		A-14	A

	Ref.	
Interfund - Current Fund	A-14	$ 163,990.63
Unappropriated Reserves	A-17	70,435.77
		$ 234,426.40

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-16

SCHEDULE OF APPROPRIATED RESERVES

GRANT FUND

Grant	Balance Dec. 31, 2013	Transfer from 2014 Budget Appropriation	Reserve for Encumbrances	Expended	Balance Dec. 31, 2014
Federal Awards					
Bulletproof Vest Program - 2014	$ -	$ 10,310.23	$ -	$ 9,034.02	$ 1,276.21
Post Sandy Planning Assistance Grant	-	24,500.00	-	24,397.13	102.87
State Awards					
Alcohol Education and Rehabilitation Fund - 2014	-	6,380.65	-	2,268.72	4,111.93
Alcohol Education and Rehabilitation - 2013	3,678.98	-	-	3,678.98	-
Body Armor Fund -2014		5,066.60	-	4,504.13	562.47
Body Armor Fund -2013	4,002.63	-	-	4,002.63	-
Body Armor Fund - 2012	527.26	-	-	527.26	-
Clean Communities Program -2014	-	61,800.94	-	61,385.17	415.77
Clean Communities Program -2013	622.55	-	10,594.54	11,050.54	166.55
Clean Communities Program - 2012	-	-	724.50	724.50	-
Drunk Driving Enforcement -2014	-	12,764.62	-	1,371.25	11,393.37
Drunk Driving Enforcement -2013	10,724.18	-	-	3,136.20	7,587.98
Drunk Driving Enforcement - 2012	3,562.81	-	-	3,562.81	-
Emergency Management - 966 Grant -2014	-	14,027.66	-	13,255.40	772.26
Emergency Management Performance -2013	6,197.80	-	-	-	6,197.80
Emergency Management - 966 Grant -2012	4,423.14	-	-	-	4,423.14
Municipal Alliance Program -2014	-	63,643.75	-	42,597.18	21,046.57
Municipal Alliance Program -2013	221.45	-	-	-	221.45
Recreation for Handicapped -2013	2,623.00	-	-	-	2,623.00
Recycling Tonnage Grant -2014	-	52,604.55	-	52,326.29	278.26
Recycling Tonnage Grant -2013	724.80	-	18,270.00	18,994.80	-
Special Legislative Grant -2012	1,731.55	-	-	-	1,731.55
County/Other Awards					
Ocean County Recycling Mini Grant -2012	-	-	3,438.47	3,438.47	-
Ocean County Tourism Grant -2012	4,500.00	-	-	-	4,500.00
	$ 43,540.15	$ 251,099.00	$ 33,027.51	$ 260,255.48	$ 67,411.18

Interfund - Current Fund	$ 228,536.72
Reserve for Encumbrances	31,718.76
	$ 260,255.48

TOWNSHIP OF LACEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-17

SCHEDULE OF UNAPPROPRIATED RESERVES

GRANT FUND

Grant	Balance Dec. 31, 2013	Receipts	Utilized in 2014 Budget	Balance Dec. 31, 2014
Federal Awards				
Body Armor Fund	$ 5,066.60	$ 3,789.70	$ 5,066.60	$ 3,789.70
State Awards				
Drunk Driving Enforcement Fund	12,764.62	13,166.12	12,764.62	13,166.12
Recycling Tonnage Grant	52,604.55	75,577.41	52,604.55	75,577.41
	$ 70,435.77	$ 92,533.23	$ 70,435.77	$ 92,533.23

TRUST FUND

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TOWNSHIP OF LACEY - COUNTY OF OCEAN

TRUST FUND **Exhibit B-2**

SCHEDULE OF CASH - TREASURER

	Animal Control Trust		Other Trust	
Balance December 31, 2013		$ 14,504.41		$ 1,494,022.66
Increased by Receipts:				
Animal Control Fees	$ 25,406.80		$ -	
State Dog License Fees	3,599.40		-	
Interfunds	-		24,347.85	
Miscellaneous Reserves	-		2,751,790.19	
		29,006.20		2,776,138.04
		43,510.61		4,270,160.70
Decreased by Disbursements:				
Expenditures Under R.S. 4:19-15-11	8,272.77		-	
Payments to State of New Jersey	3,502.80		-	
Interfunds	-		124,861.27	
Miscellaneous Reserves	-		2,498,885.88	
		11,775.57		2,623,747.15
Balance December 31, 2014		$ 31,735.04		$ 1,646,413.55

TOWNSHIP OF LACEY - COUNTY OF OCEAN

ASSESSMENT TRUST FUND

Exhibit B-3

ANALYSIS OF CASH

	Balance Dec. 31, 2013	Receipts Miscellaneous	Disbursements Miscellaneous	Balance Dec. 31, 2014
Interfunds:				
Current Fund	$ (14,851.50)	$ -	$ -	$ (14,851.50)
Fund Balance	14,851.50	-	-	14,851.50
	$ -	$ -	$ -	$ -

TOWNSHIP OF LACEY - COUNTY OF OCEAN

ANIMAL CONTROL TRUST FUND

Exhibit B-4

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

Balance December 31, 2013	$ 14,456.41
Increased by:	
Fees Collected in 2014	25,406.80
	39,863.21
Decreased by:	
Expenditures Under R.S. 4:19-15.11	8,272.77
Balance December 31, 2014	$ 31,590.44

License Fees Collected

Year	Amount
2012	$ 21,340.80
2013	21,326.80
	$ 42,667.60

SCHEDULE OF DUE STATE OF NEW JERSEY

Exhibit B-5

Balance December 31, 2013	$ 48.00
Increased by:	
Fees Collected	3,599.40
	3,647.40
Decreased by:	
Payments to State of New Jersey:	
Disbursements	3,502.80
Balance December 31, 2014	$ 144.60

TOWNSHIP OF LACEY - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B-6

SCHEDULE OF MISCELLANEOUS RESERVES

Reserve for	Balance Dec. 31, 2013	Increased by Receipts	Decreased by Disbursed	Balance Dec. 31, 2014
Developer's Escrows:				
Affordable Housing Fees	$ 113,674.33	$ 27,202.06	$ 713.75	$ 140,162.64
C.O. Inspections	50,503.25	37,478.00	28,398.25	59,583.00
Cash Performance Bonds	190,863.19	18,001.20	46,432.95	162,431.44
Inspection Fees	247,007.53	43,187.24	74,972.93	215,221.84
Land Development Fees	123,640.62	114,532.94	73,167.45	165,006.11
Traffic Light at Haines and Barnegat Drive	27,630.16	-	-	27,630.16
Unimproved Street Inspection Fees	10,324.71	-	455.00	9,869.71
	763,643.79	240,401.44	224,140.33	779,904.90
Various Reserves:				-
Law Enforcement Forfeiture	58,837.60	5,874.00	31,325.38	33,386.22
Municipal Alliance Program	8,743.32	24,643.00	20,682.48	12,703.84
Parking Offenses Adjudication Act	303.00	42.00	-	345.00
Police Outside Employment	55,327.60	160,127.02	139,943.79	75,510.83
Premium on Tax Sale	97,900.00	570,200.00	411,800.00	256,300.00
Public Defender	6,665.50	21,342.00	15,600.00	12,407.50
Recreation Programs	6,876.08	45,820.69	43,399.34	9,297.43
Self Insurance Fund	14,063.69	168,301.01	171,642.16	10,722.54
Snow Removal	248,247.51	129,533.39	97,724.02	280,056.88
Third Party Liens	99,703.35	1,382,505.64	1,326,266.50	155,942.49
Electronic Tax Sale	-	3,000.00	-	3,000.00
	596,667.65	2,511,388.75	2,258,383.67	849,672.73
Unemployment Compensation Insurance	34,892.08	-	16,361.88	18,530.20
	$ 1,395,203.52	$ 2,751,790.19	$ 2,498,885.88	$ 1,648,107.83
Reference	B	B-1	B-1	B

TOWNSHIP OF LACEY - COUNTY OF OCEAN

OTHER TRUST FUND **Exhibit B-7**

SCHEDULE OF RESERVE FOR LENGTH OF

SERVICE AWARDS PROGRAM (LOSAP)

(UNAUDITED)

Balance December 31, 2013		$ 1,459,602.71
Increased by:		
Township Contributions to Trustee	$ 163,300.00	
Earnings on Contributions	89,906.79	
		253,206.79
		1,712,809.50
Decreased by:		
Distributions	143,322.87	
Plan Administration Charges	8,424.84	
		151,747.71
Balance December 31, 2014		$ 1,561,061.79

TOWNSHIP OF LACEY - COUNTY OF OCEAN

OTHER TRUST FUND **Exhibit B-8**

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Current Fund	Payroll Fund
Balance December 31, 2013 - Due From/(To)	$ (98,819.14)	$ (105,396.09)	$ 6,576.95
Increased by:			
Disbursements	123,145.14	123,145.14	-
Miscellaneous Reserves Deposited	-		
in Current Fund	1,716.13	1,716.13	-
Total Increases	124,861.27	124,861.27	-
Total Increases and Balances	26,042.13	19,465.18	6,576.95
Decreased by:			
Receipts	24,347.85	17,770.90	6,576.95
Total Decreases	24,347.85	17,770.90	6,576.95
Balance December 31, 2014 - Due From/(To)	$ 1,694.28	$ 1,694.28	$ -

GENERAL CAPITAL FUND

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TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH - TREASURER

	Ref.		
Balance December 31, 2013	C		$ 571,062.65
Increased by Receipts:			
Premium on Sale of Notes	C-1	$ 28,952.00	
Interest Earned	C-8	250.35	
Capital Improvement Fund	C-7	90,000.00	
Bond Anticipation Notes	C-12	1,675,000.00	
Grants Receivable	C-6	405,000.00	
Reserve for Debt Service	C-13	225,000.00	
			2,424,202.35
			2,995,265.00
Decreased by Disbursements:			
Payment to Current Fund as Anticipated Revenue	C-1	32,380.00	
Improvement Authorizations	C-9	2,470,162.80	
Reserve for Debt Service	C-13	84,370.00	
Interfunds Liquidated:			
Current Fund	C-8	250.35	
			2,587,163.15
Balance December 31, 2014	C		$ 408,101.85

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-3

ANALYSIS OF CAPITAL CASH

			Receipts		Disbursements		Transfers		
		Balance Dec. 31, 2013	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Balance Dec. 31, 2014
Fund Balance		$ 32,380.00	$ -	$ 28,952.00	$ -	$ 32,380.00	$ -	$ -	$ 28,952.00
Capital Improvement Fund		35,884.25	-	90,000.00	-	-	69,500.00	-	56,384.25
Interfund - Current Fund		-	-	250.35	-	250.35	-	-	-
Reserve to Pay Debt Service		84,370.00	-	225,000.00	-	84,370.00	179,000.00	-	46,000.00
Reserve for Encumbrances		646,360.79	-	-	-	-	646,360.79	605,294.14	605,294.14
Improvement Authorizations:									
Ordinance Number	**Improvement Description**								
	General Improvements:								
2006-19	Purchase Equipment and Vehicles, Building Improvements	16,541.78	-	-	15,066.00	-	225.00	-	1,250.78
2006-55 & 2014-21	Design and Construction of Connector Road	402,364.20	-	-	183,725.48	-	10,000.00	-	208,638.72
2007-28	Road and Drainage Improvements and Dredging	4,553.75	-	-	2,582.41	-	102.50	102.50	1,971.34
2008-21	Deerhead Lake Dam Improvements	85,338.37	-	-	-	-	1,500.00	1,500.00	85,338.37
2008-23	Acquisition of Real Property	70,700.00	-	-	-	-	-	-	70,700.00
2008-24	Conifer Drive Improvements	(17,868.63)	-	-	-	-	4,448.75	4,448.75	(17,868.63)
2008-26	Various Improvements	(20,765.42)	-	-	7,812.74	-	-	13,276.17	(15,301.99)
2008-27	Purchase of Fire Truck and Ambulance	21,977.00	-	-	-	-	-	-	21,977.00
2009-16	Wordens Oyster Pond	(8,000.00)	-	-	-	-	-	-	(8,000.00)
2009-28	Conifer Drive Phase III	3,759.13	-	65,000.00	948.00	-	-	367.50	68,178.63
2011-16	Lake Barnegat Drive North Road Improvements	(48,723.85)	-	62,500.00	13,963.62	-	-	17,835.12	17,647.65
2011-20	Lake Barnegat Drive North Road Improvements, Alternate 2	231.50	-	-	6,900.68	-	-	6,669.18	-
2012-20	Various Improvements	277,454.70	-	237,500.00	475,573.59	-	60,000.66	37,483.71	16,864.16
2012-26	Demolition of Nursing Home Site and Subdivision of Properties	10,935.20	-	-	90,322.20	-	-	79,387.00	-
2013-16 & 2013-29	Various Improvements	(1,007,760.18)	1,675,000.00	40,000.00	805,818.13	-	90,255.89	664,020.86	475,186.66
2014-14	Various Improvements	-	-	-	867,449.95	-	438,491.34	69,500.00	(1,236,441.29)
	Local Improvements:								
2007-09 & 2008-22	Sidewalk and Curbing on Lacey Road	(18,669.94)	-	-	-	-	-	-	(18,669.94)
		$ 571,062.65	$ 1,675,000.00	$ 749,202.35	$ 2,470,162.80	$ 117,000.35	$ 1,499,884.93	$ 1,499,884.93	$ 408,101.85
	Ref.	C	C-2	C-2	C-9				C

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND **Exhibit C-4**

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - FUNDED

Balance December 31, 2013		$ 5,168,297.66
.		
Decreased by:		
2014 Budget Appropriation to Pay:		
Serial Bonds	$ 790,000.00	
DEP Loan Payable	46,548.12	
		836,548.12
Balance December 31, 2014		$ 4,331,749.54

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Paid by Budget Appropriation	Balance Dec. 31, 2014	Analysis of Balance Balance December 31, 2014: Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
	General Improvements:							
2006-55, 2014-21	Design and Construction of Connector Road	$ 2,339,000.00	$ 1,940,000.00	$ 240,000.00	$ 4,039,000.00	$ 560,000.00	$ -	$ 3,479,000.00
2007-14	Public Works Vehicles and Equipment	85,000.00	-	85,000.00	-	-	-	-
2007-15	EMS Equipment and Court Security Upgrade	40,000.00	-	30,000.00	10,000.00	10,000.00	-	-
2007-20	Telephone System Upgrade	70,000.00	-	65,000.00	5,000.00	5,000.00	-	-
2007-28	Road and Drainage Improvements and Dredging	1,050,000.00	-	560,000.00	490,000.00	490,000.00	-	-
2008-10	Bayside Beach Dredging	230,000.00	-	10,000.00	220,000.00	220,000.00	-	-
2008-17, 2008-20	Various Improvements	255,000.00	-	15,000.00	240,000.00	240,000.00	-	-
2008-21	Deerhead Lake Dam Improvements	420,000.00	-	10,000.00	410,000.00	410,000.00	-	-
2008-23	Acquisition of Real Property	1,115,000.00	-	15,000.00	1,100,000.00	1,100,000.00	-	-
2008-24	Conifer Drive Improvements	269,300.00	-	15,000.00	254,300.00	215,000.00	17,868.63	21,431.37
2008-26	Various Improvements	183,750.00	-	10,000.00	173,750.00	110,000.00	15,301.99	48,448.01
2008-27	Purchase of Fire Truck and Ambulance	740,000.00	-	55,000.00	685,000.00	685,000.00	-	-
2009-16	Wordens Oyster Pond	118,000.00	-	10,000.00	108,000.00	100,000.00	8,000.00	-
2009-28	Conifer Drive Phase III	230,023.00	-	24,000.00	206,023.00	205,000.00	-	1,023.00
2011-16	Lake Barnegat Drive North Road Improvements	108,000.00	-	10,000.00	98,000.00	98,000.00	-	-
2011-20	Lake Barnegat Drive North Road Improvements, Alternate 2	90,000.00	-	6,000.00	84,000.00	84,000.00	-	-
2011-21	Purchase of an Ambulance	90,000.00	-	15,000.00	75,000.00	75,000.00	-	-
2012-12	Various Improvements	1,218,000.00	-	-	1,218,000.00	1,218,000.00	-	-
2013-16, 2013-29	Various Improvements	1,854,000.00	-	179,000.00	1,675,000.00	1,675,000.00	-	-
2014-14	Various Improvements	-	1,320,500.00	-	1,320,500.00	-	1,206,441.29	114,058.71
	Local Improvements:							
2007-09, 2008-22	Sidewalk and Curbing on Lacey Road	95,000.00	-	-	95,000.00	-	18,669.94	76,330.06
		$ 10,600,073.00	$ 3,260,500.00	$ 1,354,000.00	$ 12,506,573.00	$ 7,500,000.00	$ 1,266,281.85	$ 3,740,291.15

Improvement Authorizations Unfunded	$ 4,963,019.16
Less: Unfunded Proceeds of Bond Anticipation Notes	

Ordinance Number	Improvement Description		
2006-55	Design and Construction of Connector Road	$ 402,364.20	
2007-28	Road and Drainage Improvements and Dredging	1,971.34	
2008-21	Deerhead Lake Dam Improvements	85,338.37	
2008-23	Acquisition of Real Property	70,700.00	
2008-27	Purchase of Fire Truck and Ambulance	21,977.00	
2009-28	Conifer Drive Phase III	68,178.63	
2011-16	Lake Barnegat Drive North Road Improvements	17,647.65	
2011-20	Lake Barnegat Drive North Road Improvements, Alternate 2		
2012-20	Various Improvements	79,364.16	
2013-29	Various Improvements	475,186.66	
			1,222,728.01
			$ 3,740,291.15

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF GRANTS RECEIVABLE

Ordinance Number	Grant	Balance Dec. 31, 2013	Grant Awards	Received	Balance Dec. 31, 2014
	Department of Transportation:				
2009-28	Conifer Road Phase III	$ 65,000.00	$ -	$ 65,000.00	$ -
2011-16	Lake Barnegat Drive	62,500.00	-	62,500.00	-
2012-20	Laurel Boulevard	50,000.00	-	50,000.00	-
2012-20	Lakeside Drive	250,000.00	-	187,500.00	62,500.00
2014-21	Connector Lacey Road - South St.	-	1,060,000.00	-	1,060,000.00
2014-14	Community Development Block Grant	-	30,000.00	-	30,000.00
2013-16, 29	Rotary Club	40,000.00	-	40,000.00	-
		$ 467,500.00	$ 1,090,000.00	$ 405,000.00	$ 1,152,500.00
	Ref.	C	C-9	C-2	C

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2013	$ 35,884.25
Increased by:	
Budget Appropriation	90,000.00
	125,884.25
Decreased by:	
Appropriations to Finance Improvement Authorizations	69,500.00
Balance December 31, 2014	$ 56,384.25

SCHEDULE OF INTERFUND - CURRENT FUND

Exhibit C-8

Balance December 31, 2013 - Due To	$ -
Increased by:	
Disbursements:	
Interfund Liquidation	250.35
	250.35
Decreased by:	
Receipts:	
Interest on Deposits	250.35
Balance December 31, 2014 - Due to	$ -

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2013 Funded	Balance Dec. 31, 2013 Unfunded	2014 Authorizations Funded	2014 Authorizations Deferred Charges to Future Taxation Unfunded	Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2014 Funded	Balance Dec. 31, 2014 Unfunded
	General Improvements:										
2006-19	Purchase Equipment and Vehicles, Building Improvements	5/14/2006	$ 82,000.00	$ 16,541.78	$ -	$ -	$ -	$ -	$ 15,291.00	$ 1,250.78	$ -
2006-55, 2014-21	Design and Construction of Connector Road	12/28/2006 11/25/2014	3,000,000.00	-	1,941,364.20	1,060,000.00	1,940,000.00	-	193,725.48	866,274.52	3,881,364.20
2007-28	Road and Drainage Improvements and Dredging	8/23/2007	1,106,500.00	-	4,553.75	-	-	102.50	2,684.91	-	1,971.34
2008-10	Bayside Beach Dredging	5/08/2008	290,000.00	-	-	-	-	270.00	270.00	-	-
2008-21	Deerhead Lake Dam Improvements	7/10/2008	1,640,000.00	-	85,338.37	-	-	1,500.00	1,500.00	-	85,338.37
2008-23	Acquisition of Real Property	9/25/2008	2,000,000.00	-	70,700.00	-	-	-	-	-	70,700.00
2008-24	Conifer Drive Improvements	9/25/2008	330,000.00	-	21,431.37	-	-	4,448.75	4,448.75	-	21,431.37
2008-26	Various Improvements	9/25/2008	225,000.00	-	42,984.58	-	-	13,276.17	7,812.74	-	48,448.01
2008-27	Purchase of Fire Truck and Ambulance	9/25/2008	953,000.00	-	21,977.00	-	-	-	-	-	21,977.00
2009-28	Conifer Drive Phase III	12/22/2009	520,000.00	-	69,782.13	-	-	367.50	948.00	-	69,201.63
2011-16	Lake Barnegat Drive North Road Improvements	8/11/2011	390,000.00	-	13,776.15	-	-	17,835.12	13,963.62	-	17,647.65
2011-20	Lake Barnegat Drive North Road Improvements, Alternate 2	10/12/2011	105,000.00	-	231.50	-	-	.00 6,669.18	6,900.68	- -	- -
2012-20	Various Improvements	8/09/2013	1,765,000.00	-	577,454.70	-	-	37,483.71	535,574.25	-	79,364.16
2012-26	Demolition of Nursing Home Site and Subdivision of Properties	10/10/2012	240,000.00	10,935.20	- -	-	-	79,387.00	90,322.20	-	-
2013-16, 2013-29	Various Improvements	7/24/2013 12/12/2013	1,992,500.00	-	886,239.82	-	-	485,020.86	896,074.02	-	475,186.66
2014-14	Various Improvements	7/10/2014	1,420,000.00	-	-	99,500.00	1,320,500.00	-	1,305,941.29	-	114,058.71
	Local Improvements:										
2007-09, 2008-22	Sidewalk and Curbing on Lacey Road	4/26/2007 9/25/2008	295,000.00	-	76,330.06	-	-	-	-	-	76,330.06
				$ 27,476.98	$ 3,812,163.63	$ 1,159,500.00	$ 3,260,500.00	$ 646,360.79	$ 3,075,456.94	$ 867,525.30	$ 4,963,019.16
			Ref.	C	C	C-7	C-5	C		C	C

Capital Improvement Fund		$ 99,500.00
Grants Receivable	C	1,060,000.00
		$ 1,159,500.00

Reserve for Encumbrances	C	$ 605,294.14
Disbursements	C-2	2,470,162.80
		$ 3,075,456.94

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF GENERAL SERIAL BONDS

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2014 Date	Amount	Interest Rate	Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
General Improvements	8/01/2006	$ 9,000,000	8/01/2014	$ 790,000	4.00%			
			8/01/2015	825,000	4.00%			
			8/01/2016	855,000	4.00%			
			8/01/2017	895,000	4.00%			
			8/01/2018	935,000	4.00%	$ 4,300,000.00	$ 790,000.00	$ 3,510,000.00

TOWNSHIP OF LACEY - COUNTY OF OCEAN

Exhibit C-11

GENERAL CAPITAL FUND

SCHEDULE OF DEP LOAN PAYABLE

Improvement Description	Date of Issue	Original Issue	Maturities of Loan Outstanding Dec. 31, 2014 Date	Amount	Interest Rate	Balance Dec. 31, 2013	Paid by Budget Appropriation	Balance Dec. 31, 2014
2003 Dam Restoration	11/23/2009	$ 1,024,111.00	See Amortization Schedule		2.00%	$ 868,297.66	$ 46,548.12	$ 821,749.54
					Ref.	C	C-4	C

SCHEDULE OF DEP LOAN PAYABLE

Due	Principal	Interest
2015	$ 47,483.74	$ 16,198.76
2016	48,438.16	15,244.33
2017	49,411.77	14,270.73
2018	50,404.95	13,276.55
2019	51,418.09	12,264.41
2020	52,451.59	11,230.91
2021	53,505.86	10,176.62
2022	54,581.33	9,101.16
2023	55,678.41	8,004.07
2024	56,797.55	6,884.94
2025	57,938.18	5,743.31
2026	59,103.76	4,578.73
2027	60,291.74	3,390.74
2028	61,503.61	2,178.88
2029	62,740.80	942.66
	$ 821,749.54	$ 133,486.80

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Paid by Budget Appropriation	Balance Dec. 31, 2014
2006-55	Design and Construction of Connector Road	7/24/2007	7/17/2014	7/16/2015	1.00%	$ 239,000.00	$ -	$ 200,000.00	$ 39,000.00
		7/19/2013	7/17/2014	7/16/2015	1.00%	561,000.00	-	40,000.00	521,000.00
2007-14	Public Works Vehicle and Equipment					-			
		7/24/2007	7/17/2014	7/16/2015	1.00%	82,174.00	-	82,174.00	-
		7/22/2011	7/17/2014	7/16/2015	1.00%	2,826.00	-	2,826.00	-
2007-15	EMS Equipment and Court Security Upgrades	7/24/2007	7/17/2014	7/16/2015	1.00%	28,043.00	-	18,043.00	10,000.00
		7/22/2011	7/17/2014	7/16/2015	1.00%	11,957.00	-	11,957.00	-
2007-20	Telephone System Upgrade	10/16/2007	7/17/2014	7/16/2015	1.00%	65,223.00	-	60,223.00	5,000.00
		7/22/2011	7/17/2014	7/16/2015	1.00%	4,777.00	-	4,777.00	-
2007-28	Road and Drainage Improvements and Dredging	10/16/2007	7/17/2014	7/16/2015	1.00%	650,000.00	-	510,000.00	140,000.00
		7/22/2011	7/17/2014	7/16/2015	1.00%	400,000.00	-	50,000.00	350,000.00
2008-10	Bayside Beach Dredging	7/24/2008	7/17/2014	7/16/2015	1.00%	200,500.00	-	7,000.00	193,500.00
		7/22/2011	7/17/2014	7/16/2015	1.00%	29,500.00	-	3,000.00	26,500.00
2008-17	Various Improvements	7/24/2008	7/17/2014	7/16/2015	1.00%	255,000.00	-	15,000.00	240,000.00
2008-21	Deerhead Lake Dam Improvements	11/07/2008	7/17/2014	7/16/2015	1.00%	420,000.00	-	10,000.00	410,000.00
2008-23	Acquisition of Real Property	11/07/2008	7/17/2014	7/16/2015	1.00%	1,115,000.00	-	15,000.00	1,100,000.00
2008-24	Conifer Drive Improvements	11/07/2008	7/17/2014	7/16/2015	1.00%	230,000.00	-	15,000.00	215,000.00
2008-26	Various Improvements	11/07/2008	7/17/2014	7/16/2015	1.00%	120,000.00	-	10,000.00	110,000.00
2008-27	Purchase Fire Truck and Ambulance	11/07/2008	7/17/2014	7/16/2015	1.00%	740,000.00	-	55,000.00	685,000.00
2009-16	Wordens Oyster Pond	7/23/2010	7/17/2014	7/16/2015	1.00%	110,000.00	-	10,000.00	100,000.00
2009-28	Conifer Drive Phase III	7/23/2010	7/17/2014	7/16/2015	1.00%	229,000.00	-	24,000.00	205,000.00
2011-16	Lake Barnegat Drive North Road Improvements	7/19/2012	7/17/2014	7/16/2015	1.00%	108,000.00	-	10,000.00	98,000.00
2011-20	Lake Barnegat Drive North Road Improvements, Alternate 2	7/19/2012	7/17/2014	7/16/2015	1.00%	90,000.00	-	6,000.00	84,000.00
2011-21	Purchase of an Ambulance	7/19/2012	7/17/2014	7/16/2015	1.00%	90,000.00	-	15,000.00	75,000.00
2012-20	Various Improvements	7/18/2013	7/17/2014	7/16/2015	1.00%	1,218,000.00	-	-	1,218,000.00
2013-16,29	Various Improvements	7/14/2014	7/17/2014	7/16/2015	1.00%	-	1,675,000.00	-	1,675,000.00
						$ 7,000,000.00	$ 1,675,000.00	$ 1,175,000.00	$ 7,500,000.00
					Ref.	C	C-2	C-2	C

TOWNSHIP OF LACEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-13

SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance December 31, 2013		$ 84,370.00
Increased by:		
Receipts		225,000.00
		309,370.00
Decreased by:		
Ordinance 2013-16	$ 179,000.00	
Anticipated in Current Fund as Revenue	84,370.00	
		263,370.00
Balance December 31, 2014		$ 46,000.00

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

Exhibit C-14

Ordinance Number	Improvement Description	Balance Dec. 31, 2014
	General Improvements:	
2006-55		
2014-21	Design and Construction of Connector Road	$ 3,479,000.00
2008-24	Conifer Drive Improvements	39,300.00
2008-26	Various Improvements	63,750.00
2009-16	Wordens Oyster Pond	8,000.00
2009-28	Conifer Drive Phase III	1,023.00
2013-16, 2014-14	Various Improvements	1,320,500.00
	Local Improvements:	
2007-09, 2008-22	Sidewalks and Curbing on Lacey Road	95,000.00
		$ 5,006,573.00

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SINGLE AUDIT SECTION

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HFA
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ALLISON, P.C.
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INDEPENDENT AUDITORS'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NJ OMB CIRCULAR 04-04

Honorable Mayor and Members
of the Township Committee
Township of Lacey
County of Ocean
Lacey, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Lacey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of the Township's major federal and state programs for the year ended December 31, 2014. The Township of Lacey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Lacey's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Lacey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Township of Lacey's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Lacey's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB Circular 04-04.

Report on Internal Control Over Compliance

Management of the Township of Lacey is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Lacey's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Lacey's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and New Jersey OMB Circular 04-04

We have audited the financial statements of the Township of Lacey as of and for the year ended December 31, 2014, and have issued our report thereon dated June 15, 2015, which contained an qualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
RMA #498

June 15, 2015
Toms River, New Jersey

TOWNSHIP OF LACEY - COUNTY OF OCEAN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2014

Grantor/Program Title	Federal C.F.D.A. Number	Agency or Pass-Through Number	Grant Period From	Grant Period To	Grant Award	Receipts	Expenditures	Cumulative Expenditures
Department of Homeland Security								
Pass Through:								
New Jersey Department of Law and Public Safety								
Public Assistance								
Superstorm Sandy	97.036	066-1200-100-A92	2012	2015	1,360,742.78	769,994.55	769,994.55	1,323,399.29
Total Department of Homeland Security						769,994.55	769,994.55	1,323,399.29
Department of Justice								
Direct Program:								
Bulletproof Vest Grant	16.607	Not Available	FY 2014		10,310.23	10,310.23	9,034.02	9,034.02
Total Department of Justice						10,310.23	9,034.02	9,034.02
Department of Justice								
Direct Program:								
Community Development Block Grant								
Post Sandy Planning Assistance Grants	14.269	022-8022-100-001	FY 2014		24,500.00	24,500.00	24,397.13	24,397.13
Total Department of Housing and Urban Development						24,500.00	24,397.13	24,397.13
						$ 804,804.78	$ 803,425.70	$ 1,356,830.44

TOWNSHIP OF LACEY - COUNTY OF OCEAN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2014

Grantor/Program Title	Agency or Pass-Through Number	Grant Period From	Grant Period To	Grant Award	Receipts	Expenditures	Cumulative Expenditures
Department of Transportation							
Conifer Road Phase III	078-6320-480-AKE	2009	Finished	$ 260,000.00	$ 62,500.00	$ 948.00	$ 260,000.00
Lake Barnegat Drive	078-6320-480-AKN	2010	Finished	250,000.00	62,500.00	13,964.00	250,000.00
Laurel Boulevard	078-6320-480-AK3	2011	Finished	200,000.00	50,000.00	200,000.00	200,000.00
Lakeside Drive	078-6320-480-ALC	2012	Finished	250,000.00	187,500.00	250,000.00	250,000.00
Connector - Lacey Road	Not Available	2014	Finished	1,060,000.00	-	183,725.00	183,725.00
Total Department of Transportation					362,500.00	648,637.00	1,143,725.00
Other							
Alcohol Education and Rehabilitation Fund	098-9735-760-001	Various		6,380.65	6,380.65	5,947.70	5,947.70
Body Armor Fund	066-1020-718-001	Various		5,066.00	5,066.00	9,034.02	9,034.02
Clean Communities Program	042-4900-765-004	Various		61,800.94	61,800.94	68,671.74	68,671.74
Drunk Driving Enforcement	Not Available	Various		12,764.62	12,764.62	8,070.26	8,070.26
Emergency Management - 966 Grant	066-1200-100-631	FY 2014		14,027.66	14,027.66	13,255.40	13,255.40
Municipal Alliance Program	Not Available	Various		15,515.00	15,515.00	41,597.18	41,597.18
Recycling Tonnage Grant	042-4900-765-004	Various		52,604.55	52,604.55	45,090.80	45,090.80
Total Other Grants					168,159.42	191,667.10	191,667.10
					$ 530,659.42	$ 840,304.10	$ 1,335,392.10

TOWNSHIP OF LACEY - COUNTY OF OCEAN

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND

STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2014

Note 1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state award programs of the Township of Lacey. The Township is defined in Note 1 to the Township's financial statements.

Note 2. Basis of Accounting

The accompanying schedule of expenditures of state financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3. Relationship to Financial Statements – Statutory Basis

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

Fund	Federal	State	Total
Current Fund	$ 769,994.55	$ -	$ 769,994.55
Grant Fund	33,431.15	191,667.10	225,098.25
General Capital Fund	-	648,637.00	648,637.00
	$ 803,425.70	$ 840,304.10	$ 1,643,729.80

In accordance with the Federal Emergency Management Agency, expenditures from Superstorm Sandy are recorded only when FEMA funds have been released to Municipality. The monies being released are for reimbursements of expenditures that had been previously recorded in the municipality's financial statements. The Township expended $769,994.55 related to these FEMA funds in years prior to December 31, 2014.

Note 4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal and state financial reports.

Note 5. Major Programs

Major programs are identified in the Schedule of Findings and Questioned Costs section.

TOWNSHIP OF LACEY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2014

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Qualified - Regulatory
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial statements noted?	None Reported

Federal Awards

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program
97.030	Federal Emergency Management Agency (FEMA) – Community Disaster Loan

TOWNSHIP OF LACEY
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2014

Section I – Summary of Auditor's Results

State Awards

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
3) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?	None Reported

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
078-6320-480	New Jersey Department of Transportation

TOWNSHIP OF LACEY
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2014

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2014-01:

Criteria or Specific Requirement:

GASB 45 requires certain information to be included in the Notes to the Financial Statements for Other Post-Employment Benefits.

Condition:

The Township did not have the information available for the required note on Other Post-Employment Benefits.

Context:

All necessary information for the Notes to Financial Statements for Other Post-Employment Benefits should be made available.

Effect:

The Township does not have all required information in the Notes to the Financial Statements for Other Post-Employment Benefits.

Cause:

Management was not willing to have the information available based on their cost/benefit analysis.

Recommendation:

That the Township, as required by GASB 45, obtain the information required for the note on Other-Post Employment Benefits.

Views of Responsible Officials and Planned Corrective Action:

On March 1, 2015 the Township switched to the State Health Benefits Plan and will have the information required for compliance with GASB 45 for the year end December 31, 2015.

TOWNSHIP OF LACEY
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2014

Section III – Federal and State Financial Assistance Findings & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133.

No Current Year Findings

TOWNSHIP OF LACEY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended December 31, 2014

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)).

Finding 2013-01:

Condition:

The Township did not have the information available for the required note on Other Post-Employment Benefits.

Current Status:

This condition has not been corrected.

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TOWNSHIP OF LACEY
COUNTY OF OCEAN

PART II

COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

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HFA
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ALLISON, P.C.
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To the Honorable Mayor and
Members of the Township Committee
Township of Lacey
Lacey, New Jersey

We have audited the financial statements of the Township of Lacey in the County of Ocean on for the year ended December 31, 2014, in accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate $17,500 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of $2,625 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "**NOW, THEREFORE BE IT RESOLVED** by the Mayor and Township Committee of the Township of Lacey, County of Ocean, State of New Jersey, as follows:
>
> 1. That the Tax Collector is hereby authorized and directed to charge 8% per annum on the first $1,500.00 of any amount of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of $1,500.00 becoming delinquent after due date, subject to any abatement or discount for the late payment of taxes as provided by law; and, if a delinquency is in excess of $10,000.00 and remains in arrears beyond December 31st of the tax year, an additional penalty of 6% shall be charged against the delinquency.
>
> 2. Effective January 1, 2014 there will be a (10) ten-day grace period for payment of quarterly tax payments made by cash, check or money order."

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2014, included 2014, 2013, and 2012 real estate taxes only.

The last tax sale was held on January 24, 2014 and was complete.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

YEAR	NUMBER OF LIENS
2014	473
2013	417
2012	400

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees; also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

***Finding 2014-01 – GASB 45 –** The Township did not have the information available for the required note on Other Post-Employment Benefits.

Recommendation – That the Township, as required by GASB 45, obtain the information required for the note on Other Post-Employment Benefits.

Management's Response – On March 1, 2015 the Township switched to the State Health Benefits Plan and will have the information required for compliance with GASB 45 for the year end December 31, 2015.

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings except with those marked above with an asterisk (*).

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2014:

NAME	TITLE	AMOUNT OF BOND
Gary Quinn	Mayor	
Mark Dykoff	Deputy Mayor	
Steven Kennis	Committeeman	
Peter Curatolo	Committeeman	
David Most	Committeeman	
Veronica Lauriegh	Township Administrator/ Clerk	1,000,000*
Adrian Fanning	Chief Financial Officer	1,000,000*
Linda Picaro-Covello	Assistant CFO	1,000,000*
Sharon Sulecki	Tax Collector	1,000,000*
Mark Fitzpatrick	Tax Assessor	1,000,000*
Melba Mitchell	Assistant Tax Collector	1,000,000*
Damian Murray	Municipal Court Judge	1,000,000*
Lauren Farnkopf	Court Administrator	1,000,000*
George R. Gilmore, Esq.	Municipal Attorney	

* All employees are covered by a Blanket Bond of $1,000,000 of which $950,000 is provided as part of the Ocean County Joint Insurance Fund and $50,000 through the Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and were properly executed.

Acknowledgment

We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, PC

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
RMA# 498

June 15, 2015
Toms River, New Jersey